

BBC CHILDREN IN NEED



ANNUAL REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR TO 30 JUNE 2023

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MESSAGE FROM THE CHAIR

Last year, as the legacy of Covid was still apparent, and as the cost of living crisis tightened, we implemented a new five-year strategy, which will enable the better delivery of our mission, which is to help children and young people to thrive and be the best they can be.

Part of this involved highlighting and focusing our aim on four main themes which encompass critical areas of social need, namely Poverty and Deprivation, Mental Health, Family Challenges and Social Inequality.

We also implemented a new three-year Grant Making Strategy. This meant closing for new applications for a short period, resulting in a reduction in the number of grants made in the year. In the longer term this new plan will make it easier for the charities we fund to get money quicker, and benefit from a more streamlined approach.

For the first time, we opened a fund to which organisations could apply for core costs rather than bespoke projects. This will help projects manage with everyday demands; to keep their doors open, meet rising costs, keep spaces warm and respond to increased demand.

The challenge of the lasting effects of the pandemic plus the cost of living crisis has meant a far greater pressure on children's mental health. It was to cope with this that we launched our 2022 Appeal. Despite the challenging climate, thousands of people came from across the UK to help support our work. Our corporate partners raised millions of pounds, while across the BBC, a host of much-loved programmes, augmented by specific fundraising initiatives, burst into people's homes, helping motivate audiences to donate and to inspire thousands across the UK to take on their own fundraising challenges and events.

Our 2022 Appeal night raised a remarkable amount of money. The generosity of the British public led to £35m raised in the lead up to, and during the Night Of TV. This grew to £44m as donations continued over the following months.

As a result, we were able to award grants to a value of £27m across our programmes in the year up to June 2023. As always, our funds supported local charities and projects addressing the urgent needs of children right across the UK. The aims of these grants were varied. They included the provision of emergency support to families in crisis, funded project workers who brought comfort to children who felt sad, lost and alone, provided help for children striving to overcome social injustice and funded aid for children longing to feel safe and secure again. Such charities are at the heartland of BBC Children in Need and represent what we have always stood for.

We are so proud to have been able to invest such a significant amount of money to help children across the UK. That is the good news. The not so good news is that demand significantly outweighs available funds. Last year we have been obliged to turn down so many valid and pressing requests for help.

However, we are still committed to delivering hope and a future to children and young people. We believe in the charities we fund, and above all, we believe in the life-changing difference that can be made from the help of trusted project workers, which is where the majority of the funding from BBC Children in Need goes. These individuals are remarkable. They support, encourage and inspire children and young people to thrive and be the best they can be.

I would like to thank the generous heart of the British public, our corporate partners and everyone at the BBC for helping us to change young lives for the better. My thanks must also go to the dedicated and hardworking BBC Children in Need team, our remarkable CEO Simon Antrobus and of course my colleagues, the Trustees of the Board, who are significant for their insight, commitment and wisdom; and without whose guiding hand and patient optimism this charity would be significantly reduced.



Rosie Millard OBE
Chair of the Board of Trustees



REPORT OF THE TRUSTEES

The Trustees of BBC Children in Need (who are also the Directors for the purposes of the Companies Act 2006) are pleased to present this, their report and accounts for the period ended 30 June 2023, 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.

REPORT OF THE TRUSTEES

OUR 2022/23 OBJECTIVES AND ACTIVITIES

Throughout 2022/23, our focus has been on delivering our Charitable Ambition and embedding our new five-year organisational strategy. We have made a significant commitment to continue to drive impact for children and young people through our commitment to tackling the biggest barriers they face: poverty, mental health, family challenges and social injustice. This pledge will be underpinned by our approach to transforming how we engage and inspire our audiences and supporters.

In the face of a rapidly changing media landscape and a heightened level of need for children and young people, we agreed the following priority areas of focus for this reporting period:

- 1 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.
- 3 Implementing our new Grant Making Strategy, which will set out where and how we invest our funding.
- 4 Finalising work on our impact themes and developing a broader impact strategy.
- 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 all year round.
- 6 Purposefully strengthening our BBC relationship.

It has become increasingly clear that if we want to make a real and lasting difference to the lives of the children and young people who need us most, we cannot stand still.

This year, in recognition of our Charitable Ambition, our new five-year plan and the transformation needed across the organisation, the Board supported an increase in focus on organisational resource and capacity to lead our external influence, impact and transformation plans.

These changes have enabled us to allocate staffing resource where needed, and to create a clear focus on the key objectives in our strategy. They have also ensured that all staff and volunteers are able to support the delivery of our Charitable Ambition.

Grant Making

The new Grant Making Strategy, established in the previous year, is now in the implementation phase. We were able to re-open for new grant applications in October 2022. This funding continues to deliver impact for children and young people at local community levels.

In addition, the introduction of funding for core costs has been well-received, particularly given the increased financial pressures on all charitable organisations.

We will be 'showing up' for children and young people across the year, not just during our appeal season

Broader impact

Work has now begun to develop an approach to influencing and delivering broader impact for children and young people beyond traditional grants - including using our voice and BBC platform. This has meant 'showing up' for children and young people across the year, not just during our Appeal season.

It has also led to the laying-out of four key impact themes within the new Charitable Ambition and organisational strategy: Poverty and Deprivation, Mental Health, Family Challenges and Social Inequality.

With more work to be completed in the first quarter of the new financial year, major progress has already been made with the delivery of the Behind the Bandana campaign in May 2023. This project raised awareness of the issue of Mental Health in young people and encouraged thousands of parents and trusted adults to have a conversation with children about Mental Health and keeping happy and well.

Major progress has already been made with the delivery of the Behind the Bandana campaign



Audience and Supporter Engagement Strategy

Our Audience and Supporter Engagement Strategy - which drives income and support for the Charity - has been established and fully embedded across the Charity throughout the year. The key recommendations from the strategy now underpin all marketing, communications and income generating activity. This will ensure a focus on supporter retention and on reaching new audiences - specifically families with young children and 16-24 year olds. A set of KPIs has been put in place to measure progress.

We aim to reach new audiences - specifically families with young children and 16-24 year olds

New activities were delivered over the year as a result of the strategy's implementation, including the introduction of a BBC Children in Need TikTok channel and associated activity, Walk With Joe - a new mass walking event with Joe Wicks - and the launch of the above mentioned Behind The Bandana campaign.

In May 2023, the Board agreed a five-year income growth plan, developed to diversify income amidst a challenging income generating environment.

Relevance

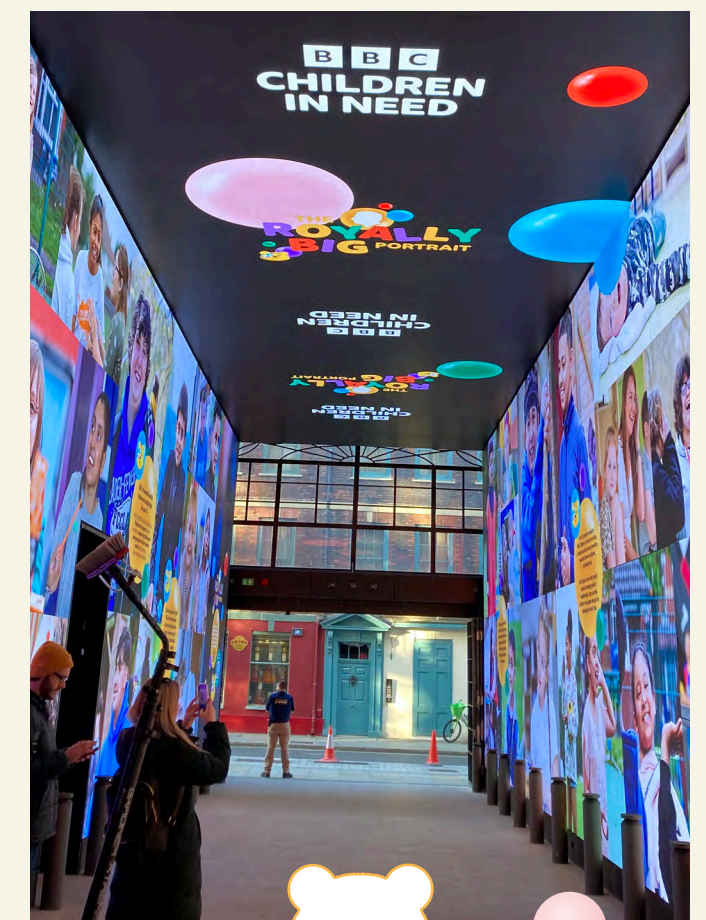
The ways in which BBC Children in Need 'shows up' across the BBC, inspiring our audience and supporters, is critical to our success, and is dependent on the content and storytelling we produce with our BBC colleagues. In an ever-competitive world of streaming, we need to ensure we are modern, contemporary and relevant.

Working with colleagues in the BBC, we have established a new Content Advisory Group, made up of Senior BBC Executives and BBC Children in Need staff. This group will work together to produce a plan to refresh our on air initiatives to help us to reach and engage new audiences.

Partnerships

The work of our corporate supporters has continued to be vital to the achievement of our aims. Our partnership with McDonald's is delivering impact beyond fundraising income by providing opportunities for detached youth work to take place in restaurants. The Community Connections programme - which brings together BBC Children in Need funded projects with McDonald's restaurants - is now creating opportunities for work experience, financial support, mentoring and the use of restaurant spaces. There are currently 77 live connections in place.

Our relationship with the BBC remains a critical asset in everything we do. Strategically, we continue to align with the formation of the above-mentioned Content Advisory Group, recognising our shared ambitions and exploring how we can drive forwards our Digital Transformation by utilising the expertise within the BBC.



In an ever-competitive world of streaming, we need to ensure we are modern, contemporary and relevant

FUTURE PLANS

Over the course of the last financial year BBC Children in Need has implemented a five-year plan which includes a refreshed charitable ambition and a set of underpinning strategies. With implementation underway, the Charity has agreed the following four priority areas with the Board to ensure focused delivery and monitoring.

1 Broadening and deepening our impact for children and young people through grants and beyond:

- Build and maintain a relevant and contemporary grant portfolio
- Implement and maintain flexible, proportionate and equitable grant making processes
- Grow opportunities to support and influence organisations beyond grant making

2 Creatively engaging with our audiences and supporters to grow and diversify our supporter footprint:

- Build a strong brand which drives awareness and understanding of our national and local presence and the work we do
- Establish our voice on the key issues for children and young people today
- Develop innovative and exciting ways of getting involved with BBC Children in Need
- Build strategic partnerships and initiatives which leverage all of our assets and platforms

3 Strategically growing our income:

- Diversifying our income
- Develop and establish regular, sustainable and year-round income
- Drive growth with younger audiences' whilst protecting existing core supporters

4 Striving for operational excellence:

- Ensure efficient and effective systems and processes
- Develop and embed insight to drive activity across the organisation
- Creating a positive culture and prioritise EDI in everything that we do

These priorities sit alongside the strategy pillars developed in our five-year plan and will form the focus of our reporting. They will also help us to hold ourselves to account in terms of the delivery of the strategy.

The development of these priorities, and the way we will execute them, is informed by strategies developed throughout the last year - such as our Audience and Engagement strategy.



STRATEGIC REPORT

The Trustees have approved this strategic report, which provides an analysis of the Charity’s performance - including its financial position - as well as 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 in order to meet the requirements of section 172 of the Companies Act:

Looking to the future

Following the development of the five-year plan in 2021/22, the Board signed off a set of six objectives to underpin the implementation of the plan (page 8). We made a commitment to deliver this activity using information and data collected through the leadership of our Insight Directorate. Progress within these areas in the reporting period will continue to be significant to the future delivery of the strategy and in helping to navigate a challenging income environment.

Working within our employees’ interests

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, as well as further development and integration of our approach to equity, diversity and inclusion, business continuity and employee wellbeing.

Our business relationships

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 19 to 24), donors, fundraisers, corporate partners and the BBC (pages 36 to 47).

Our impact on the community and the environment

Many of the children and young people we support are disproportionately affected by the climate crisis. We recognise that reducing our impact on the environment is key to our mission, as is a clear approach regarding the ways in which we play our part to tackle the climate crisis. We have a responsibility to care for the environment and to minimise the environmental impact of all our activities. We also recognise that, as a leading children’s charity in the UK, we must use our voice to highlight the importance of taking action of this kind. BBC Children in Need’s goal is in line with the BBC’s net zero ambitions.

Our reputation and the public trust in BBC Children in Need are fundamental to our future success. The Charity has a range of policies and processes in place that promote corporate responsibility and ethical behaviour, including Donor Acceptance and Community Fundraising policies, as well as Procurement and Purchasing Policies.

The Charity also commissioned a tri-annual Board Effectiveness / Governance Review at the end of 2022 to report against the standards set out in the Charity Governance Code. The aim of the review was to highlight good practice, gaps or weaknesses and make any recommendations towards the improvement and/or development of future practice.

The findings are now complete, there were no matters requiring urgent attention and the recommendations have now been built into future plans.

We strive to be a fully inclusive organisation

The need to act fairly

We strive to be a fully inclusive organisation. Trustees are committed to making tangible steps to improve Equity, Diversity and Inclusion (EDI). This remains an organisational objective and an important element of our overall strategy. We have EDI objectives in every directorate business plan.

Achievements and performance

The Charity is proud of what has been achieved in the year. Real progress is being made in the delivery of the new five-year plan, which serves to ensure maximum impact for children and young people, along with the delivery of effective engagement and inspiration to audiences across the platforms available to us, including the BBC.

Real progress is being made in the delivery of the new five-year plan

Our reputation - and public trust in BBC Children in Need - are fundamental to our future success



We recognise that reducing our impact on the environment is key to our mission





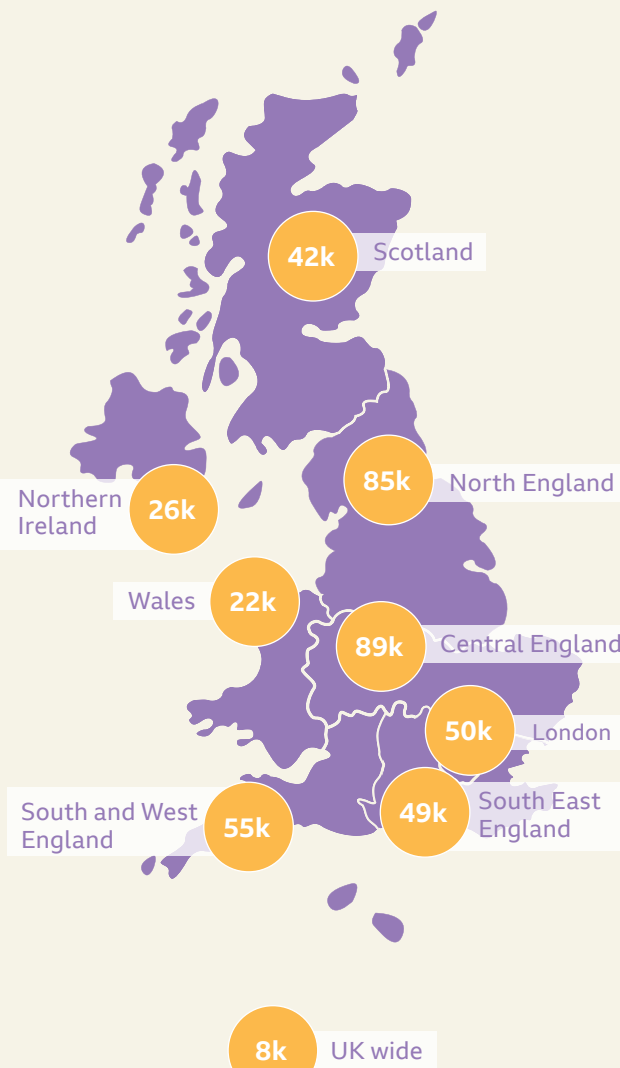
**DEEPENING &
BROADENING
OUR IMPACT**

DEEPENING & BROADENING OUR IMPACT

Changing the lives of children
In 2022/23 BBC Children in Need supported over 426,000 children and young people across the UK who are affected by issues and challenges including poverty, disability, marginalisation, abuse, trauma or loss.

Throughout 2022/23, we supported over 426,000 children and young people

UK reach (nearest 1k)



Targeting children and young people who are experiencing a range of challenges

- Area disadvantage**
94k children & young people
- Family-related challenges**
77k children & young people
- Disabled children**
70k children & young people
- Household poverty & housing difficulties**
31k children & young people
- Marginalised identities or nationalities**
28k children & young people
- Mental health and emotional wellbeing**
21k children & young people
- Personal harm**
15k children & young people
- Behaviour or education engagement issues**
10k children & young people
- Physical wellbeing**
49k children & young people

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



have stronger self-belief
161k



enjoy better relationships
218k



have increased essential skills
132k



have stronger emotional wellbeing
196k



are more empowered
78k



have better physical wellbeing
66k



are safer
41k

Note: children and young people supported by BBC Children in Need funded projects may experience more than one positive outcome.

It has been a pivotal year for BBC Children in Need. It has seen us implement our new Grant Making Strategy and introduce a more effective and speedier grant application process to ensure our funding reaches those children who need us the most.

As the impact of the pandemic and the cost-of-living crisis compound the serious issues faced by children and young people today in the UK, we are aware that the organisations we fund are facing increasing challenges with the need for their services rising off the back of the pandemic and the cost of living crisis further compounding this.

The impact of the pandemic and the cost-of-living crisis compound the serious issues faced by children and young people today in the UK

Our annual grantee survey told us in clear terms that the situation for children and young people is deteriorating. Specifically, they have told us that they are seeing more children and young people needing support with mental health challenges and challenges around poverty and deprivation.

We also know that children and young people who face additional challenges, such as caring responsibilities, being care-experienced or disabled, are now dealing with multiple disadvantages, many of which are becoming increasingly complex.

In order to address these challenges - and the many others faced by children and young people across the UK - we have taken a number of different approaches to ensure that our funding is creating an impact.

Emotional wellbeing and economic deprivation have become the highest priorities for a significant number of our grantees



Grantmaking Policy

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



1. BBC Children in Need funds projects in order to produce positive outcomes for children and young people who are experiencing disadvantage



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



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



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



3. We fund projects that are child focussed



6. Every project and organisation we fund should encourage and enable participation by children and young people in an appropriate and empowering manner

We award grants to voluntary projects, community groups and registered charities that are working with children and young people, 18 and under, who are affected by a number of issues including homelessness, neglect, abuse, disability, poverty, serious illness and bereavement. In the year being reported on we amended our responsive grants programmes, introducing a funding stream for core costs (organisational costs) for the first time, and increasing the maximum amount of our smaller grants from £10,000 per year to £15,000 per year, to support projects for up to three years. We also launched a funding stream for smaller and under-represented organisations in our portfolio.

Our funding

The majority of our funding was disbursed through our responsive portfolio, which is managed by our national and regional teams, in the form of community grants.



In the year ended 30 June 2023 we were able to award new grants totalling £27m

This breaks down as follows:

£19m
across
348
new grants

Through our project and core funding, Youth Social Action and We Move programmes.

£1m
across
1,658
booster grants

Helping projects meet their rising costs and respond to increased demand.

£7m
across Emergency
Essentials and other
partnership
programmes

The new grants awarded take our total committed funding* to £105m, which breaks down as follows:

* the total value of active grants in our portfolio as at June 2023

Partnership and proactive grants
£17,648,820 (17%)

Project grants
£8,200,753 (8%)

Core grants
£6,650,408 (6%)

Covid grants
£2,691,179 (3%)

Small grants
£23,091,011 (22%)

**Current portfolio
(value) by grant type**
As at June 2023

Main grants
£46,777,056 (44%)



Ensuring our funding extends to all four nations, as at June 2023 we are funding over £10m in Scotland and over £6m each in Wales and Northern Ireland.

Due to the development and implementation of a new grant making strategy, with the aim of making it easier for potential Grantees to apply for and receive the right kind of funding, more quickly, we were closed to applicants for a short time. In light of this, there has been a reduction in the year in the volume and value of grants we were able to make. This will balance out over the next two years following the re-opening of applications in October 2022.

**We awarded 2,106 grants
with a total value of
£27m**



National programmes

We ran a number of national programmes throughout 2022/23 - each focusing on different identified areas of need.

The Youth Social Action programme was launched in partnership with The Hunter Foundation and iWill, awarding over £2.5m to 65 organisations who will be empowered to deliver local projects in their communities.

Through our 'We Move' partnership with Radio 1Xtra, we provided funding of over £2m to Black-led organisations focusing on challenges faced by Black children and young people.

We continued to manage our Inspiring Futures grant programmes, which were initially launched in response to the COVID-19 pandemic - but still remain a highly impactful resource.

New funding programmes

We have now introduced two additional funding programmes to ensure that our grants remain accessible to smaller organisations, projects and charities with less infrastructure.

The first of these programmes is named Pudsey Next Steps, and provides funding to smaller, community-based organisations that may otherwise be disadvantaged by their capacity. We will make our first awards this year and will continue to address barriers in our funding for under-represented organisations and communities.

The second is the Big Sky funding programme, which provides early interventions to support the emotional wellbeing and mental health of children aged 8-13 years living in rural, remote and island areas.

Youth-led grant making

Finally, in response to our aim to encourage input from children and young people into our decision-making processes, and to learn from their insights, we invested in a collaboration with the Listening Fund - a pooled fund of £1.25m - in partnership with the Blagrove Trust, the National Lottery Community Foundation (NLCF), the Esmée Fairbairn Foundation and The Tudor Trust.

This fund assists organisations in the development of their listening capacity and practice. It will also provide support for a youth advisory board, who will lead on the development of a programme of youth-led grant making.



Delivering impact through strategic partnerships

Guided by our Grant Making Strategy and Charitable Ambition, we seek to improve the lives of children and young people across the UK through the development of funding partnerships. To do this, we collaboratively fund strategic programmes which focus on innovation and long-term solutions, as well as those addressing immediate needs.

Supporting youth work with McDonald's

Community Connections continues to grow and develop, with over 100 projects linked - or soon to be linked - with local McDonald's restaurants. The nature of the positive impact of this programme varies widely and includes the introduction of work experience and supported employment opportunities, homework clubs and safer, more welcoming environments in which young people can socialise.

Improving financial literacy with HSBC Money Heroes

BBC Children in Need has partnered with HSBC UK and Young Enterprise's financial education brand Young Money to deliver the Money Heroes programme. Funded by HSBC UK, this initiative provides a package of support to help organisations develop and deliver financial education to children aged 3-11 years old. In total, 96 organisations received support - with 284 project workers being trained. The companies involved in the delivery of the programme have predicted that they will support around 4,800 children as result.

We collaboratively fund strategic programmes which focus on innovation and long-term solutions, as well as those addressing immediate needs



Our activity portfolio with The Hunter Foundation

Our collaboration with The Hunter Foundation continues to deliver systemic, positive change for children and young people across the United Kingdom through a number of activities.

The Agency Collaboration Fund, delivered in partnership with the Youth Endowment Fund, has seen £1 million invested in five locations to develop a new model of multi-agency early help for young people at risk of being affected by violence or criminal exploitation.

Our partnership with the Legal Education Foundation has achieved significant milestones this year. In Scotland, strategic work undertaken alongside Clan Childlaw and The Promise has been influential in redesigning children's hearings to be child-centred. Thanks to this project, it is now recommended that lawyers representing children in Scotland should be qualified specialists.

The Hunter Foundation partnership also helped to further our commitment to working with families and local stakeholders through the What Matters to You (WM2U) programme 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.

Through Street Soccer, 443 children and young people have accessed football and development sessions in South London. Sessions numbers continue to increase alongside off-pitch support, with young people reporting that they felt safer and happier as a result of their participation.

Our programme for young black people – We Move

Inspired by Stormzy's commitment, in 2020 BBC Children in Need announced a commitment of £10m in funding over 10 years to create and invest in opportunities for Black children and young people.

The We Move Fund represents a significant proactive commitment from BBC Children in Need to address racial inequity and social justice issues, by removing barriers and creating opportunities for Black Children and Young People.

The We Move, Youth Social Action Fund was launched in March 2022 in partnership with 1Xtra and #iwill Fund, to invest in, support and champion young Black people's agency and initiatives to create and lead change in their local communities and beyond. This first projects under the We Move Fund serve as pilots; to build on and learn from and establish a strategy for the longer-term, 10-year commitment.

Current portfolio

- 66 organisations were funded, totalling £2.2m
- Grants run from October 2022 to May 2024
- Average grant size of £38,000
- More than 85% are Black-led and are new organisations to BBC Children in Need
- Activities funded include arts, literature, youth progression, social mobility, integration, cohesion, digital, environment, youth leadership



Case Study

Vanny Radio is a Coventry-based social enterprise, which supports young people from Black Minority Ethnic communities to lead a fulfilling life whilst supporting them to thrive and be the best they can be. The organisation develop innovative approaches that aim to inspire the young people to be the best they can be, and build their opportunities for the future. We have supported them with a grant to build upon current provisions and materials to enable them to pilot the youth radio project that has been planned and developed by young people.

Through our funding, Vanny radio will:

- Provide training to support young people to acquire new skills in disc jockey, music production, broadcasting, photography, video and events management
- Support the delivery of talk shows led by young people to discuss current pressing issues affecting young people today
- Use radio and broadcasting media as a platform to help prevent anti-social behaviour and to provide hope for the young people
- As a model for change - substance abusers who have gone through rehabilitation and have turned their lives around are invited to discussions to inform and advise young people about their experience.
- Use the platform to showcase the young people's talents.

Our Mental Health programme - A Million and Me

This year, under the A Million and Me programme, BBC Children in Need managed two grants – one to ParentZone and one to Mind.

The grant to Mind funds Wellbeing Advisors in 3 locations across England and Wales. Within the first month of delivery alone, local teams connected to the initiative received 69 referrals.

Mind's local Wellbeing Advisors received 69 referrals in their first month

Through our funding, ParentZone is developing a consultation tool, co-designed by young people, to help facilitate digital participation with children and provide opportunities to reflect on the issues which matter most to them.

We also have a continuing commitment to Mental Health Innovations, The Proud Trust, #Beewell, The WOW Foundation, Voices from Care Cymru, Stormbreak, Global Black Thrive and Positive Youth Foundation.

The A Million & Me programme was evaluated externally by the Centre for Mental Health, with their final report released in October 2022. The full report can be found here: <https://www.centreformentalhealth.org.uk/publications/power-ordinary>

Tackling violence impacting young people

The reduction of violence impacting young people is a key area of focus for BBC Children in Need, and our reach and efficacy in this field has been aided significantly through various partnerships. We made two new grants associated with youth violence reduction this year.

The reduction of violence impacting young people is a key area of focus for BBC Children in Need

One grant was delivered to Youth Work Alliance, to support their aim of working with young people to implement a Common Purpose framework addressing violence in their communities. The young people have become accredited peer researchers, producing and presenting their research in their communities. Many have now gone on to plan social action projects in their areas.

The second grant was provided to Bruce Grove Youth Space to deliver a trauma informed, detached youth approach to reducing violence in Haringey. The initiative will support young people aged 11-18 and will include a residential trip for participants and their parents/guardians. The aim is to create and foster positive relationships, as well as providing varied opportunities for young people.

We believe that our partnerships play a strategically important role in creating a broader impact in many of our targeted areas, where we know that children and young people face challenges.

Through the partnerships listed above, we have been able to extend our reach to more children and young people in the UK. The programmes have also enabled us to develop innovative solutions with other key stakeholders in the sector.

Through our partnerships, we have been able to develop innovative solutions and extend our reach to more children and young people in the UK

We recognise that this cannot be done alone, and that our impact is amplified by working with others within the ecosystem.

Providing crisis support

Our emergency essentials programme, ran in partnership with Family Fund, delivered £3m of crisis support to children and families across the UK. The programme provided families in need with essential items such as beds, cookers and washing machines.



OUR COST OF LIVING RESPONSE

In October 2022, in response to rising fuel bills and the cost of living crisis, paired with the ongoing effects of the pandemic, we took the decision to issue emergency support to our funded projects across the UK. With over 4.2million (29%) children and young people living in poverty across the UK, facing the difficulty, stigma, and shame of financial hardship it was important for the Charity to respond quickly.

The impact on children

Many children, young people and their families were, and continue to, face challenges to make household budgets stretch as the cost-of-living increased. It is estimated that 23.4 million people are unable to afford the cost of living and that nearly half of all children are living in families that have to make sacrifices on essentials.



29% of children and young people across the UK are living with the difficulty, stigma, and shame of financial hardship

The impact on the VCS sector

The Voluntary and Community Sector (VCS) at the time of our emergency response, was impacted by rises in costs, putting a strain on staff and their capacity to deliver. Being able to heat venues, pay for transport, remunerate staff and manage energy and food bills were key concerns.

The impact on our grantees

Our grantees fed back to us directly about the impact of the rising cost of living in our latest annual survey. 70% see poverty and deprivation as one of the biggest issues facing children and young people, with 92% believe the situation to be worsening.

Not only is the demand for services higher than ever for 60% of our grantees, but, for 92%, running costs are going up – and fundraising is more challenging for 51%.

Alongside their own challenges, 61% are providing basic essentials such as food, clothing and toiletries to the children and young people they support, while 45% are providing financial support to enable them to access their services.

70% see poverty and deprivation as one of the biggest issues facing children and young people, with 92% believe the situation to be worsening

Our actions

Our response to the challenges of rising energy bills and the pressures of the cost of living crisis included a number of immediate commitments:

- We implemented a £500,000 increase to our Emergency Essentials Programme to meet the elevated demand on their services for essential household items.
- We provided 'Booster Grants' to over 1,600 organisations as one-off payments straight to their bank accounts, totalling £1m. These grants could be spent on core and project costs for services supporting children and young people - such as rent, power and heating costs, fuel and transport, food, additional staffing hours to meet increased demand, or any other overheads that organisations were struggling to cover.

- When our application process opened in October 2022, we frontloaded our new responsive programme with an additional £1m, to provide funding to help our grantees through the difficult winter period.
- We also awarded a number of strategic grants specifically focused on food poverty across the nation. These included a grant to the Felix Project in London - to enable an urgent response to the rising crisis relating to food poverty, and one to Shelter in Bristol - to address food insecurity.
- Finally, we took part in a national child poverty mapping exercise by New Philanthropy Capital to try and build a systematic picture of how to address child poverty in the long term.

Feedback from our grantees

Our grantees were extremely appreciative of our response to the crisis:

“Wow thank you so much for this, we can keep the heat on now and stay warm. Such a fantastic boost!”

“Thank you so so much - we were really worried about being able to afford the food for the children :)”

“Just wanted to say many thanks for this unexpected and generous financial assistance which will really help us out.”



Feedback from our response to the crisis:

“Wow thank you so much for this, we can keep the heat on now and stay warm. Such a fantastic boost!”

CREATIVELY ENGAGING OUR AUDIENCES AND SUPPORTERS

Throughout 2022/23, our focus has been on embedding and implementing our Audience and Supporter Engagement Strategy. The importance of driving engagement and support from identified 'opportunity audiences' - namely young adults and families with young children - is clearly defined within this strategy

'Showing up' all year round

Another vital element involves ensuring that our communications and fundraising initiatives remain effectively focused throughout the year. Whilst we will continue to maximise the impact of our annual Appeal night, broadcast in partnership with the BBC, we no longer rely solely on this event to drive support.

A revitalised brand

Significant work has also been undertaken to refresh our brand, and to ensure that we remain relevant both visually and verbally to our opportunity audiences. A new strapline was developed - We're There for You - alongside a new-look Pudsey Bear.

New audiences

Good progress was made throughout the year in terms of diversifying our engagement with, and support from, opportunity audiences. This was largely driven by a focus on

being 'digital first', and through our engagement with key corporate partners - including Asda and McDonald's.

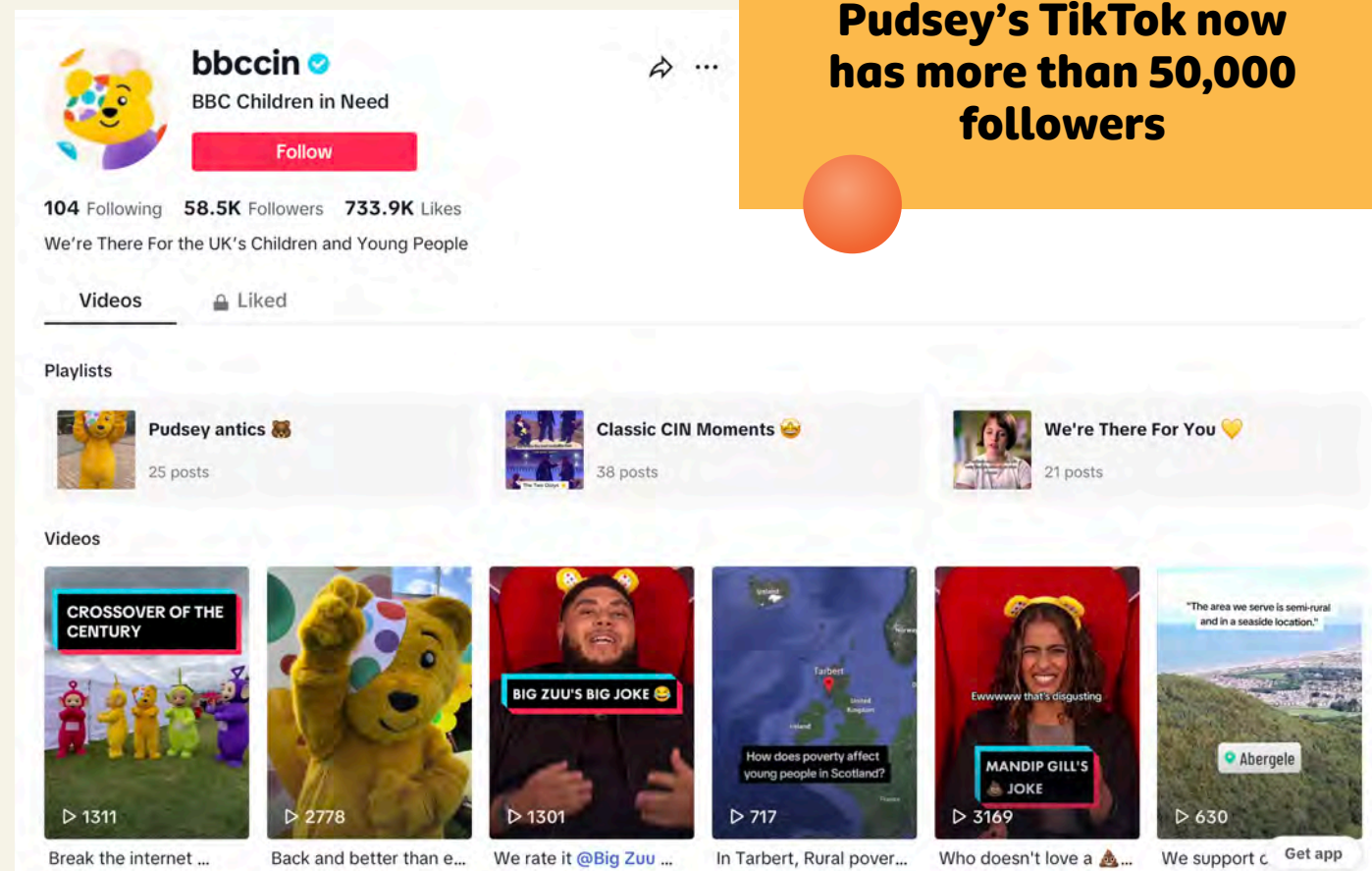
Social media

A sustained focus on driving engagement through the creative use of social media has seen us improve engagement with younger audiences.

November saw us launch our own Pudsey TikTok channel and host a 24-hour TikTok Live event in partnership with leading influencer agency, Connect Management. The event itself, hosted by popular TikTok creators and attended by over 30 other creators, enabled us to reach over 200,000 unique views and over 15M likes over the 24-hour period. This helped us to build awareness and understanding of the Charity with a 16-24 year old audience.

Providing a new, fun channel for younger audiences, Pudsey's TikTok quickly gained thousands of followers, with the number growing throughout the year to more than 50,000.

Pudsey's TikTok now has more than 50,000 followers



Our annual appeal and campaign

Our 2022 annual Appeal launched in October, with renewed focus on 'why' people across the UK should get involved and support BBC Children in Need.

To achieve this, we launched a new TV and digital campaign, which was developed by the BBC. Entitled Positive Relationships, it highlighted the essential role that our supported project workers play in turning the lives of children around.

Our new brand platform, We're There For You, was at the heart of the campaign, which was targeted to reach 80% of UK adults at least once.

The BBC ensured that awareness and fundraising broadcast activity spanned multiple channels to creatively engage new audiences and supporters.

The whole BBC Network came together to deliver a diverse array of programming, with an increasing focus on engaging opportune audiences. This is something we are looking to further build on over the next 3-5 years, keeping programming approaches in line with our Audience & Supporter Engagement Strategy.

Over 80 hours of content were delivered, encompassing the Nations and Regions, BBC Children's and Education, Network TV and Radio. There were also special episodes created to accompany broadcast partnerships on the BBC iPlayer and BBC Sounds.

Alongside traditional favourites, including Countryfile, BBC Radio 2, DIY SOS and Matt Baker's Rickshaw Challenge, BBC output featured stories placing children, young people and families at the heart of the content.

Our key impact themes, including the Cost of Living crisis and Mental Health, permeated much of the content - illustrating the difference we make as a charity.

The broadcast campaign culminated in the Friday Night Appeal Show, which saw the BBC shine a spotlight on the work of the Charity in a challenging economic landscape.

The content within the 3 hour show was designed to appeal to young families. Highlights included a powerful spoken word performance from Diversity on the challenges facing young people, a spoof call centre sketch starring young comic actor Lenny Rush and a rousing finale featuring the BBC Philharmonic playing live to a performance of the Number one hit, 'Running Up That Hill'.

Behind the Bandana

Outside of our annual appeal with the BBC, we delivered our first awareness-raising campaign, which launched on 15th May. The Behind the Bandana campaign focused on Mental Health and was informed by insight and recommendations from our A Million & Me programme.

The campaign was developed in recognition that many children who go on to have mental health problems later in life have started to show signs of illness before the age of 14. We believe that mental health issues can be prevented from escalating with early help, which starts with the right conversations.

For Mental Health Awareness Week, Pudsey removed his beloved bandana to raise awareness of the fact that mental health issues are harder to see. The campaign served to prompt parents and adults to utilise our tools, tips and resources to spark healthy conversations with children across the UK.

Content ran across all social media platforms and was amplified by gifted outdoor advertising - with thanks to Alight Media, Clear Channel, JC Decaux and Ocean Outdoor.

The campaign was fronted by the UK's Youth Mental Health Ambassador, Dr Alex George, and was supported by a number of other high profile talent to spread the word, including Jamie Oliver, Joe Wicks, Mrs Hinch, Olly Murs, Louise Pentland, Angela Scanlon, Dr Radha, Grace Victory, Anne-Marie and Mason Mount.

The combined reach of the May campaign totalled over 35m people and included coverage in a number of National press publications.

We believe that mental health issues can be prevented from escalating with early help, which starts with the right conversations

MENTAL HEALTH ISSUES CAN BE HARDER TO SEE

Pudsey's removed his bandana to show that some issues aren't visible on the outside. But conversations can help keep a child's mental health on track.

For tips and tools: bbc.co.uk/pudsey





**GROWING AND
DIVERSIFYING
OUR INCOME**

GROWING AND DIVERSIFYING OUR INCOME

Following on from the implementation of our new Audience and Supporter Strategy, work was initiated to develop a new income plan, which will drive diversification of income. This plan was developed over the second half of the financial year and was supported by the Board in Quarter four.

The plan recognises the need to offset the risk to income from the sustained reduction in live TV content consumption. This will be achieved through the diversification of income streams, a move to a year-round fundraising model and a greater focus on younger audiences.

Progress towards the delivery of this plan was initiated through the annual fundraising appeal with the BBC and will continue over the next four years.

We aim for the diversification of income streams, a move to a year-round funding model and a greater focus on younger audiences



The Numbers
Thanks to the amazing support of our fundraisers, donors and corporate partners, we were able to announce a total fundraising figure of £35m on the night of the televised Appeal Show in November 2022.

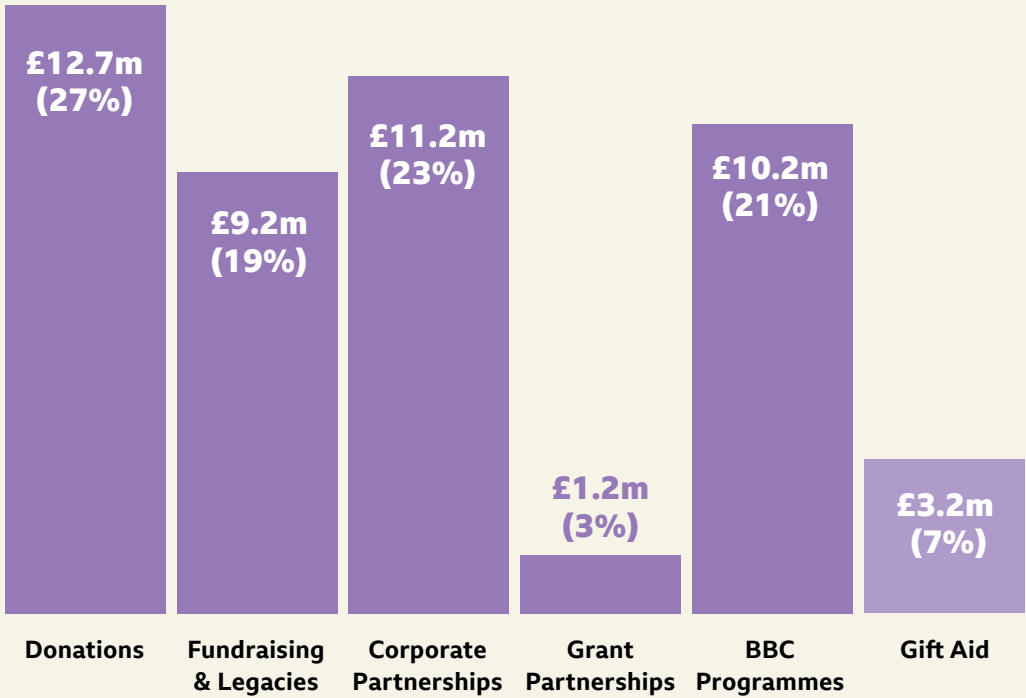
This represents a reduction of £4.1m on the previous November Appeal. This decline potentially comes as a result of the changing external environment (including the Cost of Living crisis) impacting people's ability to donate. However, critically, lower audience figures were recorded for key broadcasts.


There was continued support that followed after the show, adding a further £12.5m (2022: £28.8m) to the total as people continued to send us their fundraising amounts and donations. We also received follow-on income from both corporate and BBC partners.

The Charity closed the year with a fundraising total of £47.7m (2022: £68m). This final amount was 30% down on the previous year, but this was mainly due to follow on income in the form of one-off funding of £12.2m from the Department for Digital, Culture, Media and Sport (DCMS) in 2021/22.

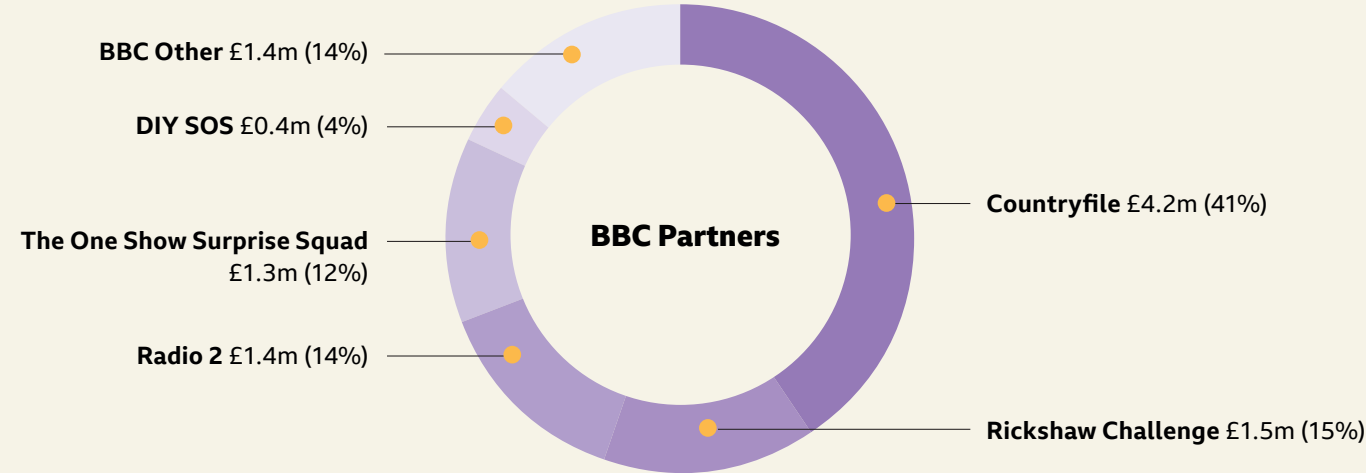
Income from donations and charitable activities	Nov 2022 Appeal Income £'000	2022/23 Follow On £'000	2022/23 FINAL Income £'000	Nov 2021 Appeal Income £'000	2021/22 Follow On £'000	2021/22 FINAL Income £'000
Other Fundraising	13,850	4,069	17,919	13,087	6,852	19,939
Schools Fundraising	2,600	1,336	3,936	2,904	1,647	4,551
Direct Public Support	16,450	5,405	21,855	15,991	8,499	24,490
High Value Donors & Partnerships	10,301	2,118	12,419	9,909	14,098	24,007
BBC Programmes and Events	8,522	1,716	10,238	13,489	1,929	15,418
Gift Aid	-	3,215	3,215	-	4,284	4,284
Total Fundraising Income	35,273	12,454	47,727	39,389	28,810	68,199

The income of £47.4m from donations and charitable activities (2022: £67.9m) as shown on the Charity's Statement of Financial Activities excludes income from licensing activity (£0.3m). £32.0m of this reported income will be used to fund projects which create positive impact, covering the associated costs. See note 2 on page 75 for a more detailed analysis of income.





We were able to announce a total fundraising figure of £35m on the night of the televised Appeal Show in November 2022



Fundraising through the annual appeal campaign

We launched our fundraising campaign for Appeal 2023 across the UK in communities, schools, workplaces and across BBC programming in September, with a new initiative - 'Be SPOTacular for BBC Children in Need'. As ever, the BBC championed our campaign across many of its programmes.



Our new initiative: Be SPOTacular for BBC Children in Need

Friday Night Appeal Show

Highlights of the appeal programming included the Friday Night Appeal Show on BBC One, a star-studded event designed to maximise public support and donations through inspiring and emotional content.

A number of Appeal Films were shown, reflecting our key impact themes and featuring poignant and moving storytelling. These included:

- A brave film showcasing the work of The Positive Youth Foundation, telling the story of 3 young refugees who had fled their homelands to make Britain their home
- The touching story of 8 year old Masud and his family support worker Marissa from The Rainbow Trust funded entirely by BBC Children in Need
- A powerful montage of children voicing real stories of poverty, hunger, homelessness and anxiety and the support they have received

DIY SOS

Another successful element of programming was the dedicated DIY SOS episode, filmed in Leeds. The team delivered an inspirational build for The Getaway Girls – a charity that supports girls and young women dealing with a range of issues including teenage pregnancy, domestic violence and child exploitation.

The DIY SOS team partnered with Radio 2 talent, including Zoe Ball, Rylan, Sara Cox, Scott Mills, Trevor Nelson and DJ Spooky to help with the build.

With hundreds of volunteers from across the country arriving on site to lend a helping hand, The Getaway Girls, comprising of a group of young women from diverse backgrounds, performed their self-written anthem live on Zoe Ball's Breakfast show.

BBC Radio 2 also produced an accompanying podcast telling the story behind the build for BBC Sounds, aimed at reaching new audiences



The Great Scott TreadMills Challenge

Throughout the campaign, we worked with talent selected to appeal to young family audiences. The Great Scott TreadMills Challenge, on BBC Radio 2, was held during Appeal Week, and was live-streamed for 24 hours on BBC iPlayer. Scott was joined by a host of talent including Olly Murs, Louis Theroux, Mel C, Claudia Winkleman, Davina McCall, Tom Walker, Lemar and Sam Ryder.

Further programming support from BBC Radio 2

Stories and information about BBC Children in Need projects were delivered to audiences across the Appeal day – with an accompanying podcast produced for BBC Sounds. Radio 2 also hosted a Gala Performance of Frozen The Musical, which brought young families and children to the West End for a heart-warming afternoon of fundraising.

Michael Ball's BBC Radio 2 show launched the 2022 Sir Terry Wogan Fundraiser of the Year award and to celebrate our younger supporters, we also launched the Young Fundraiser of the Year.





The Surprise Squad

The One Show returned with The Surprise Squad, featuring five young people supported by our grantees (Zuhair, Jodie, Charlina, Max and Lauren), who set out to deliver a series of surprises and give back to charities funded by BBC Children in Need



The Rickshaw Relay

Matt Baker saddled up for the second year of a new format for The Rickshaw Relay, an hour long documentary supported by BBC Breakfast, in which five inspirational young people were taken on a rickshaw ride through their hometowns. During the journey, they told their emotional stories and explained the support they received from BBC Children in Need helped them overcome their individual challenges.



Nations and Regions

The Nations and Regions all broadcast extensive coverage in their areas, with Scotland and Northern Ireland producing their own Appeal Shows and Wales producing their own Weatherman Walking Special, featuring popular BBC Wales weatherman Derek Brockway who undertook a hike between Wrexham and Hope Mountain, visiting projects supported by BBC Children in Need all over Wales



BBC Local Radio

BBC Local Radio once again amplified the local projects across all 39 regional stations throughout Appeal Week, and also ran their own fundraising challenges - including Radio Bristol breakfast presenter James Hanson's 24-hour walk around a shopping centre, Radio Leeds' Big Baton Relay and the Pier to Pier Challenge conducted by Radio Kent/Sussex and South East Today.



Countryfile

The Countryfile Rambles saw presenters John Craven, Matt Baker, Anita Rani, Margherita Taylor and Charlotte Smith don their walking boots with children from all four nations. The programme included the powerful stories of young ramblers Saul, Isabella and Riley.

A new viewer competition to design a Countryfile bobble hat drew thousands of entries and, along with the successful Countryfile calendar, raised millions once again for BBC Children in Need.



Morning Live

Morning Live, BBC One's new daytime series, provided supported throughout the whole BBC Children in Need campaign. They also partnered with BBC Children in Need on their Cost of Living strand, Sleep Tight Wake Bright, presented by Mr Motivator.

This segment focused on bed poverty, and shone a spotlight on our Emergency Essentials programme. It filmed with four of our supported projects in the run up to appeal night, and raised much-needed funds, while spreading all-important awareness of the plight facing so many of our projects.



Strictly Come Dancing

BBC One's most popular entertainment show for all age groups, Strictly Come Dancing, also partnered with BBC Children in Need this year. The programme's professional dancers visited Magpie Dance to surprise and delight participants. Strictly also launched a Text To Win prize across several programmes, including It Takes Two, raising £630k.



Great SPOTacular events

Thanks to the incredible support of the BBC in driving awareness of our annual campaign, thousands of people across the UK were inspired to play their part.

Over 10,000 schools and nurseries supported again this year, joining our Great SPOTacular events by dressing up or coming to school in their own clothes, decorating cakes, tackling sponsored walks or runs.

Working to highlight the importance of Mental Health and wellbeing, many participants joined a live 'Moodbooster' moment on BBC Children in Need Day, in partnership with BBC Children's and Education. Joe Wicks, Gethin Jones and Laura Hopkinson led millions of children across the UK in keeping happy and well through exercise such as dancing and yoga.

Spotlight on schools and local fundraisers

Here are just a few of the schools across the UK who went above and beyond to help raise funds for BBC Children in Need.

- Kings Junior High in Canterbury raised £4,500 by asking students to come to school dressed as a worker in their dream career
- St John's Church of England Primary School in Bristol raised £2,800 by taking part in Moodboosters and by getting classes involved in RunPudsey – which increased each child's average donation to around £20.

- St Catherine's Church of England primary school in Barnett held a SPOTacular baking competition that asked classes to compete with one another using recipe cards provided by us, raising a whopping £2,100.

Fundraisers up and down the UK went to significant efforts with their involvement, with thousands getting together in workplaces and communities to raise money through spotty tea parties, dressing up, sponsored challenges and more, all to support our SPOTacular campaign.

Thanks to the incredible support of the BBC, thousands of people across the UK were inspired to play their part in the Great SPOTacular

12 year old Joel Kaye cycled from his home in Borehamwood, Hertfordshire to his grandparents who live in Zevenaar in The Netherlands for BBC Children in Need, covering a distance of 360miles/580Km.

Joel chose BBC Children in Need for the simple reason that he is aware of his good fortune in having family around him that can support and provide for him. Joel has friends from both his primary school and his current school who hail from a range of mixed backgrounds and circumstances, and he feels that not all have had the opportunities in life that they deserve. For this reason, he set out on his ride to fundraise for all of our projects that provide support to children and allow them to grow up doing what they love. In doing what he loves – cycling – Joel was able to raise an epic £4,140.

Joel chose BBC Children in Need for the simple reason that he is aware of his good fortune in having family around him that can support and provide for him

Walk with Joe

As part of our strategy to attract more young families and 16-34 year olds, four new mass participation walks were delivered as part of our Walk with Joe campaign, with Joe Wicks leading walks in Maidenhead, Newport, Dundee and Nottingham.

Parkrun UK

To maximise the reach of the campaign, we partnered with Parkrun UK, enabling the Charity to leverage Parkrun's 4 million subscriber base and existing infrastructure for each event.

Sponsorship was secured from MINI, which covered significant set-up costs for these events. Attendees were encouraged to donate what they could, or to get sponsored to take part, and each event welcomed approximately 1,000 participants (including numerous families), trebling Parkrun's usual attendance levels.

Over 400 other Parkrun locations took part in the events, with an estimated 100,000 people getting involved. Each flagship event was also attended by a BBC Children in Need-funded project, to demonstrate the Charity's impact in the local area and improve understanding of the work we do.



OUR CORPORATE PARTNERS



Asda

After 23 years of partnership, Asda had a record-breaking year in terms of fundraising. The BBC Children in Need clothing and accessory range available from George at Asda, headlined by the official tee designed by best-selling author and illustrator Liz Pichon, sold out.

A 'top up' feature at self-checkouts across branches of their supermarket chain prompted a significant number of donations, while Asda's 400 Community champions ran local in-store events to drive fundraising and awareness of the partnership. The company also supported BBC Children in Need's ongoing collaboration with DIY SOS by providing a tea tent at their 'Big Build'.



McDonald's

McDonald's also contributed significantly to BBC Children in Need in 2022 by turning their restaurants and drive-through windows 'Spotacular' throughout our annual appeal and over the Christmas period.

Customers were encouraged to 'top up' their order through the till and were also given the opportunity to donate their rewards via the MyRewards app all year round. The BBC Children in Need logo was featured on the end board of the McDonald's Christmas advert, while 10 pence of every UK download of Becky Hill's 'Only You' single, which featured on the advert, was donated.

Becky then surprised some of the young people supported by projects funded by BBC Children in Need by delivering a 'secret performance' of the new charity single at Bolton Lads and Girls Club.



Greggs

BBC Children in Need also saw the continued support of Greggs throughout 2022, which was their 17th year of partnership. The bakery chain generated major contributions to our cause.

Greggs' colleagues delivered a number of SPOTacular fundraising activities and events both at head office and in stores, while their customers supported by purchasing BBC Children in Need merchandise - Pudsey biscuits & cakes - and by generously topping up at the till.



Welcome Break

Welcome Break galvanised colleagues and customers across the UK, undertaking highly effective fundraising initiatives through the implementation of on-site collections, the running of events - such as a summer ball - the introduction of a number of sponsored activities and the option to top up at their tills.

They also supported us with the marketing of the BBC Children in Need campaign by showing our TV advert on screens across all of their sites.



DFS

DFS delivered year-round fundraising activities for BBC Children in Need through their 'Give Me 5' customer. This generated the majority of their significant donation in 2022.

The furniture retailer also supported a number of BBC Children in Need funded initiatives. They contributed to 'Project Makeovers' - giving a new lease of life to spaces used by some of our grantees - as well as supplying items for use as part of our Emergency Essentials Programme, donating furniture items through their DFS Giving Back commitment and providing further support through local connections.

Donations from DFS help BBC Children in Need to fund mental health support for children and young people across the UK.



Cineworld

Cineworld customers and colleagues delivered a superb fundraising campaign in 2022, as well as showing our appeal trail across their cinema screens.



Enterprise

2022 saw Enterprise deliver a range of fundraising activities across the UK, including a Gala Dinner in the Natural History Museum, a number of golf events and fundraising with schools through their RunPudsey sponsored run programme.

We also received support from the Taylor family trust, and the company provided in kind support by supplying a fleet of vehicles for our Rickshaw Challenge.



One Stop

One Stop generated excellent donations to BBC Children in Need through the sale of our merchandise and by holding a number of fundraising events in store and at their head office.



Carfest

Once again, we were able to benefit from our long-standing relationship with charity partner Chris Evans through involvement with his annual festival, Carfest.

We introduced three days of Pudsey, along with featured content from BBC Children's programming, through the introduction of 'Pudsey's Spot' - a special stage dedicated to entertaining families with young children.



Post Office

Post Office continued to support in 2022, collecting customers' cash and contactless donations in Branches right across the UK. Making it as easy as possible to support the charity and putting us in the heart of every community. A Post Office van also accompanied our Rickshaw Relay challenge, collecting cash donations from the public along the way.



Royally Big Portrait

In April and May, we ran an innovative and record-breaking campaign, which inspired over 15,000 children to take part in creating a portrait in tribute to King Charles III.

Working with artist and Tech Entrepreneur Sam Barnett, we created content designed to help children to draw their own portrait of the King. From these drawings, we created one big portrait, consisting of over 20,000 individual pictures.

We secured a digital exhibition of the portrait at the Outernet on Tottenham Court Road. The exhibition was viewed by over 150,000 people every day over a 10-day period leading up to the Coronation. The event was fully interactive, enabling visitors to draw their own portrait and upload it live into the exhibition. We also held a live auction, which raised over £50k, and we will be selling individual prints of the portrait to each contributor, to raise further funds. The campaign proved to be a great news driver and generated over 118 pieces of press coverage.





OPERATIONAL EXCELLENCE

BBC Children in Need is constantly striving for operational excellence. Below are some of the approaches we have taken across the Charity in order to achieve this.

OPERATIONAL EXCELLENCE

Strategic insight cycle

The focus of this area of our work has been to ensure that the rollout of our new strategy is underpinned by data, research and insight. This will inform our decision-making and help us become an insight-driven organisation.

Our new strategy will inform our decision-making and help us become an insight-driven organisation

We continue to focus a significant amount of our work on developing a clear understanding of the key challenges that currently impact children and young people.

Our team constantly monitors the landscape around Poverty and Deprivation, Mental Health, Family Challenges and Social Inequality. We ensure that we understand these issues as extensively as possible, and that we continually learn about the approaches that work most effectively in terms of support. We also aid the organisation in talking about these issues externally.

This year's grantee survey reinforced the complexity of the landscape for children and young people, and for the organisations that support them. It has helped us to identify where we can make a difference, both through funding and through broader support to our grantees.

Funding decisions and public perception

Given our focus on supporting children and young people where the need is greatest, we have developed a number of tools and reports that inform funding decisions both centrally and locally.

As we expand our 'year-round' activity, and look to attract new audiences, it becomes more important that we understand public perceptions of the Charity and the response of audiences to the approaches we take.

We use an ongoing charity brand tracker as well as our own bespoke research to ensure that we listen to - and learn from - current and prospective supporters. We use this insight to ensure we remain relevant in a changing media and fundraising landscape.

We recognise that it is more important than ever both for our supporters, and for those in the voluntary sector, to understand the difference we make through our funding.

It is more important than ever both for our supporters, and for those in the voluntary sector, to understand the difference we make through our funding

Much of the groundwork put in place this year will enable us to share more of our impact learning and evaluation externally next year, and we are excited to be bringing the direct voice of children and young people into that work for the first time.

Driving Participation with Young People

We are committed to ensuring that children and young people are at the heart of our work. This year, we have taken the time to develop a Participation Model and Roadmap for the organisation. We have developed guidelines to ensure that we create meaningful ways in which to engage children and young people, and that we embrace all opportunities to listen and learn from them.

We are committed to ensuring that children and young people are at the heart of our work

We have worked alongside young people in recruitment, when making grant making decisions and in developing strategies and ideas.

We have also begun to develop a Young Ambassador programme that enables young people to tell their stories and to advocate for the issues that they are passionate about.

Alongside our direct work, we are committed to learning from the great participation work that is happening within the organisations we fund. We also strive to share best practice methods with those who are looking to develop their own approaches.

People and Engagement

Staff engagement is very important to us. Throughout this year, we have continued to pursue the delivery of our Charity People Plan and priorities - focusing on culture and engagement, mobilising colleagues to take part in sessions exploring our new strategy, embedding our new executive structure and continuing to prioritise EDI.

Engagement sessions during January and February, which focused on our Charitable Ambition, provided opportunities for nearly 100 colleagues from across the Charity to get together to work on key elements of our strategy.

We've received positive feedback from staff on how the sessions have energised and inspired the workforce regarding these matters.

EDI engagement sessions have energised and inspired our workforce

A small group of volunteers from across the Charity have been doing deeper work to build on our Culture and Values - The Pudsey Way - and this will be a key focus of our people strategy over future years.

We have continued to focus on Equity, Diversity and Inclusion - running sessions for line managers around inclusive recruitment which align with the BBC's new Hiring Manager Toolkit and their improved approaches to interview and assessment. These sessions also focus on embedding our charity EDI commitments throughout the hiring process.

Following a thorough search and procurement process, we have identified a supplier to deliver a bespoke programme of anti-racism training for the whole Charity - including Trustees, Leaders and all colleagues. This is a key milestone in our charity EDI strategy and has been extremely well-received by all colleagues.

Change Capability and Strategy Execution

Our ability to execute change has been strengthened by the appointment of our first Director of Change and Transformation, and by the creation of the Change and Transformation Directorate.

This will support the Charity through our transformation journey, ensuring specialist expertise to support our biggest change projects. It will also improve our change capability across the Charity.

As we execute our strategy roadmap, we have also highlighted four strategic priorities and related objectives, which have supported future planning and decision making.

Strengthening our BBC relationship

The team at BBC Children in Need has started looking at how we harness the power of BBC colleagues as our biggest advocates.

This year more than ever before, we have worked closely with the BBC on the execution of our campaign. We have built on our existing partnership with them to effectively deliver activations such as Behind the Bandana and, strategically, we are ensuring that content plans and opportunities are curated through the Content Board.

Risk and governance framework

Business continuity and risk management are significant areas of focus for the Charity. In the year we have continued to mitigate against all perceived risks and in doing so have minimised issues faced. With the development of new activities in the year ensuring the safeguarding of children and young people and responsible fundraising has been paramount.

To ensure best practice of a robust governance framework, the Charity commissioned a Governance Review. The report referenced the strong arrangements that we already have in place, and provided recommendations on how we can further add value through good governance. All those recommendations will be implemented in the new year.

Efficient and effective operations

Thanks to our focus on the compliance, controls and smooth operation of all of our technology systems - along with our accounting and reporting processes - data risk is minimised, enhanced support is delivered, and efficiencies are achieved by integrating platforms.

Because of the robust processes and controls we have implemented, we are able to place reliance on our donation platforms, grant making database and finance systems, as well as the technology infrastructure underpinning staff operations.

The implementation of a monthly IT service report, detailing all the status of all platforms, gives clear updates on any gaps in service and the action taken to mitigate any issues going forward.

Supporter audience/user journey

The Charity's supporters are key to our success, and so we strive to ensure that our supporter journey is of a high standard. We strive to keep the audience experience consistent across all of our platforms and campaigns.

All public-facing supporter contact is directed to our Supporter Care team, who are subject matter experts across all campaign activity, and so are able to provide a diligent and supportive service.

Long term financial planning

During the year to June 2023, 95% of donations went into grant making activity - with 5p in every pound donated funding costs not attributable to grant making. This funding has allowed the Charity to support our continuing five-year financial plan, which underpins the achievement of the long-term strategy.

The financial challenges for the Charity, including our donors’ propensity to give, volatility in the value of - and return from - our investments, our cashflow and the availability of liquid funds, have been exacerbated by further worsening of the UK and global economy.

However, our internal funding model, reserves policy and investment policy have provided financial stability, and have afforded a level of financial flexibility that enables us to continue in our ongoing work supporting children and young people at the very time when they need it most.

In the year we have reviewed our long-term financial plan to ensure we are able to focus resources and invest in our long-term strategy.

Equality, diversity and inclusion

Through the past year we have made equality, diversity and inclusion a priority within our emerging strategy, considering what it means for us as an employer, as a funder, as a fundraiser and as a storyteller.

Significant progress was made through our We Move programme, which was aimed at supporting Black led organisations, along with the introduction of Anti-Racism training to all BBC Children in Need staff and Trustees.

We continue to align to the BBC’s creative diversity strategy for on-screen diversity, surpassing targets for race and disability representation at over 30% for both.

We have continued to focus on Equity, Diversity and Inclusion across our workforce with a particular focus on recruitment, culture and leadership. We have made progress on diversity representation across our workforce, with increases over the year in representation of ethnicity, LGBTQ+ and Disability. At our most senior levels – including Board of Trustees, Executive directors and senior leadership roles across the charity - we have significantly increased diversity, particularly in levels of representation of minority ethnicities.

Climate Justice and Sustainability

BBC Children in Need believes that every child should have the chance to thrive and be the best they can be. We know that climate change is a threat to making this happen and will disproportionately affect children and young people, and particularly those who already face poverty and marginalisation.

For this reason, we continue to increase our activity around climate justice and sustainability.

In line with the BBC’s science-based climate targets for Net Zero, we are working towards halving our operational carbon emissions by 2030. We make mindful decisions about business travel and reduce this by using digital technology wherever possible. We continue to limit waste by using recycled materials in our merchandise and reducing supply chain emissions. Increasingly our fundraising is moving away from direct mail and focuses on digital methods. All of our broadcast activity is part of the Albert Plus carbon calculator scheme, enabling us to monitor and manage carbon emissions related to our annual Appeal show.

We are also stepping up efforts to manage our investments so that wherever possible, we are not inadvertently supporting any actions which would damage the environment and undermine our efforts elsewhere in the organisation.

But we know that greening our operations is not enough - young people themselves have made this clear.

In line with the Funders Commitment on Climate Change, we are also exploring ways we can support our grantees, partners and other stakeholders to learn about the potential impact of climate change on the children they support and the work they deliver. We have supported the youth strand of NPC’s Everyone’s Environment project, which has seen the philanthropic think tank and their partners consult with children and young people across the UK to establish how they want the charity sector to respond to climate and environmental crises. As their findings are shared, we are already seeing this research catalyse climate action across the youth sector.

15% of the DCMS Youth Investment Fund grants we awarded included sustainable elements such as electric vehicles, improving green spaces or installing solar panels. In partnership with the #iwill Fund, The Hunter Foundation and BBC 1extra, we are also delivering two funds to a total of £4m to support organisations to embed youth social action across the UK. More than 15 projects across our portfolio are empowering young people to take action on climate and environmental issues locally and nationally. Children are tackling air pollution in Blackburn, setting up a community garden in Ipswich, and sharing creative work in Nottingham which explores black children and young people’s right to access the natural environment.

Centring children’s wishes in any actions we take to tackle the climate emergency is crucial to both mitigating environmental damage effectively and countering the negative mental health impact of environmental crises on young people. We aim to share the learning from these funded projects to encourage further, faster action across our portfolio, and the wider funding sector.

Our newly formed Climate Justice & Sustainability Steering Group will coordinate efforts across the charity to limit our impact on the environment, while weaving environmental themes into our storytelling to engage and inspire audiences, partners and donors. For young people to thrive, the planet must thrive, and we will continue to create opportunities for children and the organisations who support them to lead on positive change.

The calculated energy emissions from the space in which BBC Children in Need occupies is as follows. Electricity consumption is measured at 233,773kwh (2022: 241,097 kwh) and gas at 79,365kwh (2022: 135,144 kwh) which equates to the following emissions:

Greenhouse gas emissions 2022/23	Gross emissions
Greenhouse gas emissions (tonnes/CO2e emissions)	64.2 reduced by 15% in year
Emissions per FTE	0.45





FINANCIAL REVIEW

The accounts for the year ended 30 June 2023 cover:

- income from the BBC Children in Need Appeal 2022, which was live across Autumn 2022;
- other income received year-round from 1 July 2022 to 30 June 2023; 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 2022 to 30 June 2023.

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 £47.4m (2022: £67.9m) including donation income and gift aid of £43.4m (2022: £50.9m), legacy income £2.9m (2022: £2.1m) and partnership funding £1.2m (2022: £14.9m). This represents a reduction in the Charity's normal activity of £20.5m on the prior year. See note 2 (page 75) to the accounts.

The grant awards net of returns of £26.3m (2022: £62.2m) relate to the spending of income generated from the November Appeal and grant partnership funding received in the year. The Charity paused grant making in the first half of the financial year while the new grant making strategy was implemented so part of the year on year reduction in grant awards is due to timing but part is also due to the reduced income from donations and charitable activities.

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 costs incurred in the year were £12.8m (reported as £13.5m including gift in kind: £7.1m on raising funds and governance, £5.7m on grantmaking, impact and gift in kind* of £0.7m). Total costs represent 26% of our total income (2022: 17%). Grantmaking costs are 23% (2022: 9%) of grants awarded, other costs are 15% (2022: 10%) of income generated. Costs are proportionately high due to the pause in grant making and no comparable funding from DCMS in the year.

** 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 2023, Children in Need Limited made a profit of £0.2m (2022: £0.2m).

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 £0.9m (2022: £1.2m), representing a return of 1.1% (2022: 1.4%) on the average investment balance. This return is within the Charity's internal 1.0% to 1.5% target.

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. Social, environmental and ethical considerations are taken into account when making investment decisions.

Funds

At 30 June 2023 the Group (which consists of BBC Children in Need (the Charity) and Children in Need Limited (the trading company) had total closing funds of £47.7m (2022: £37.5m) representing an increase of £10.2m 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	Opening Fund 1 Jul 22	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 23
Restricted impact fund	4,256	3,400	(4,833)	(236)	-	2,587
Unrestricted designated impact fund	19,175	38,829	(21,466)	(5,507)	-	31,031
General continuity fund	8,795	6,397	-	-	(6,383)	8,809
Investment continuity fund	5,000	-	-	-	-	5,000
Development fund	250	-	-	-	-	250
TOTAL UNRESTRICTED FUNDS	33,220	45,226	(21,466)	(5,507)	(6,383)	45,090
TOTAL FUNDS	37,476	48,626	(26,299)	(5,743)	(6,383)	47,677

The £48.6m of total income received in the year includes income from donations and other charitable activities of £47.4m plus net investment income of £0.9m and trading income of £0.3m. Of this £26.3m has been used to fund projects that make a positive impact and £5.7m has funded the associated costs of grant making and impact. £33.6m is held in reserve and available for grantmaking in advance of generating new income in the autumn 2023 appeal (restricted £2.6m, unrestricted £31.0m).

Restricted Fund - £2.6m

The closing fund represents £1.9m 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, £0.7m 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 £2.8m from Asda in support of the Emergency Essential Programme.

Unrestricted Fund - £31.0m

At 30 June 2023 the Charity held designated grant funds representing donation income received and to be awarded to projects in future grantmaking activity of £31.0m (2022: £19.2m). These funds will be awarded over the coming months but it is the intention of the Charity to maintain a level of funds to cover uncertainty of income or exceptional requirement for funding.

The Charity also holds funds to cover general operating costs in periods of uncertainty of income, to manage volatility of investment returns (capital value or income) and to allow for future investment and respond to growth opportunities. This represents unspent gift aid, investment income, license fees and a small proportion of donations (limited to 5p/£ donated). In this financial year 5p/£ of unrestricted donation income and legacy income, together with gift aid, trading income and investment returns totalling £6.4m (2022: £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 72 which explains the structure of reserves and also note 14 on pages 85-87 which provides more detail of the restricted funds.

PRINCIPAL RISKS AND UNCERTAINTIES

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. The key priorities for the Charity are growing and diversifying our income, delivery of our audience and supporter engagement strategy, and the development of a longer term content strategy.

There are 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.

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.

The Reserve Policy for the Charity sets out the long-term target for the Charity’s continuity as shown in the table below. 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 2023. 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 23	Forthcoming Commitments 30 Jun 23	Closing 30 Jun 23
Impact continuity fund	5,000	26,031	31,031
General continuity fund	2,500	6,309	8, 809
Investment continuity fund	5,000	0	5,000
Development fund	250	0	250
Total	12,750	32,340	45,090

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 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. 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. We continue to mitigate against all perceived risks including the following:

Safeguarding risk

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 -as well as due diligence regarding the charities and projects that we fund. Through our safeguarding policies (which specifically provide guidance on the protection of vulnerable people), our training and our resources, we ensure that our culture and practices are safe and appropriate.

Responsible fundraising

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. We expect our fundraising partners, commercial participants 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 and referred to the Fundraising Regulator throughout this year.

Fraud and financial crime prevention

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 and damaging our reputation with the public. Sound controls and financial and fundraising management ensures we remain vigilant.

The Charity has previously pursued a criminal case against a fraudulent fundraiser, showing the Charity’s intent to protect funds and assets from misuse. This fraud was previously reported to the Charity Commission.

In the year, there were three incidents that were reported to the Charity Commission. One was a financial crime which occurred at an organisation that used to administer grants on behalf of the Charity.

In this case, there was little or no impact on the operations or finances of the Charity, as the organisation ceased delivering the programme on our behalf in 2018-19.

The second was a grantee who went into administration and failed to report on whether their promised service had been delivered.

The final incident relates to a data breach at the BBC, which is mentioned as part of our section on cyber-crime below.

Data protection

Data protection compliance is a key risk for the Charity. We have a responsibility when dealing with personal information, and our data protection principles ensure we do not risk the trust placed in the Charity. They serve to protect our supporters from possible misuse, whether it be accidental or deliberate. Consequences can include reputational damage, complaints or claims, as well as severe financial penalties.

Cyber-crime

The risk of cyber-crime remains. To mitigate this risk, the BBC and the Charity has extensive policies and procedures in place to detect and prevent cyber threats. Recovery plans are in place, and we adequately train our employees.

This year, the BBC was affected by a data breach, and personal data for some Charity staff - both past and present – was disclosed. This was reported to the Charity Commission as a serious incident.

In co-ordinating a response to the incident, the BBC enacted its pre-prepared incident response plan and made a joint notification to the Information Commissioner’s Office (ICO). Those impacted were alerted quickly and clarity was provided about what personal data had been shared. Affected staff have been provided with practical support.

Governance Review

To ensure we have a robust governance framework, the Charity commissioned a Governance Review. The report referenced the strong arrangements that we already have in place, and provided recommendations on how we can further add value through good governance.

These recommendations, which are to be implemented in the new financial year, fall into categories of:

- Organisational purpose
- Leadership
- Decision-making
- Risk and control
- Board effectiveness
- Diversity

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.

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 arrangements 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.

Investment, Finance, Audit and Risk and Impact Committee all 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

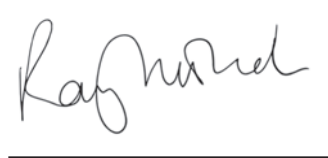
The Trustees are responsible for the Charity’s management of risk. During the year the Trustees actively monitored and discussed risk. This process included:

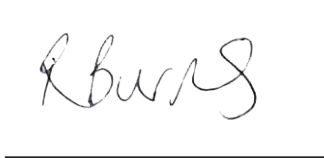
- identifying the major risks facing the Charity;
- assessing the likelihood and severity of the risks;
- reviewing the existing controls that the Charity had in place to mitigate the risks; and
- identifying and implementing any further actions required to limit risk.

A statement of Trustees’ responsibilities in respect of the Trustees’ Annual Report and Accounts is given on page 64.

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 19 October 2023 by:


Rosie Millard
Chair


Rhona Burns
Treasurer

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and Advisors

Chair

Rosie Millard

Vice Chair

Robert Shennan³ BBC Representative (resigned 31 Mar 2023)

Other Trustees

Leigh Tavaziva (joined 1 Oct 2022)
Matthew Baker (resigned 30 Sep 2023)
Kenny Imafidon²
Trevor Bradley^{1 3 4}
Kieran Clifton²
Rhona Burns^{1 4}
Jonathan Munro
Suzanne Lamb
James Fairclough
Sandeep Bhamra^{1 4}
Cherrie Bija^{2 3} (joined 11 May 2022)
Randel Bryan (joined 17 Jan 2022)

Company Secretary

Tony Okotie

Principal Officers

Simon Antrobus Chief Executive
Claire Hoyle Director of Income and Engagement
Tommy Nagra Director of Content
Joanne Ruddock Director of Insight
Nicky Scowcroft Director of Finance and Operations
Fozia Irfan Director of Impact and Influence
Tony Okotie Director of Impact: Grant Making
Nassali Douglas Director of Change & Transformation
Jenny Wroe Senior HR Business Partner

Auditors

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

Bankers

HSBC Bank Plc
City of London branch
Queen Victoria Street
London EC4N 4TR

Investment Managers

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA

Investment Advisors

Willis Towers Watson
51 Lime Street
London EC3M 7DQ

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 Office

Bridge House
Salford M50 2BH

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

Registered charity England and Wales no. 802052 and Scotland no. SC039557. Registered Company 04723022

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF BBC CHILDREN IN NEED IN RESPECT OF THE TRUSTEES’ ANNUAL REPORT AND ACCOUNTS

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

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

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

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

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

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

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

Opinion

We have audited the financial statements of BBC Children in Need (‘the charitable company’) and its subsidiary (‘the group’) for the year ended 30 June 2023 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 2023 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 64, 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

Irregularities, including fraud, are instances of non-compliance 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. The laws and regulations we considered in this context for the UK operations were taxation and employment legislation.

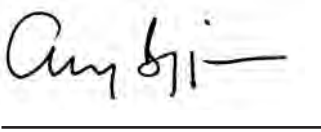
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, 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 and Scottish Charity Regulator, designing audit procedures over the completeness and timing of legacies, grants and corporate income streams 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

13 December 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2023

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

Year to 30 June 2023					Year to 30 June 2022		
	Notes	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Donations	2, 3	40,224	3,000	43,224	48,249	2,432	50,681
Income from joint operation		-	-	-	-	-	-
Legacies	2	2,858	-	2,858	2,147	-	2,147
Charitable activities							
Partnership funding	2	750	400	1,150	1,000	13,901	14,901
Total Income from donations and charitable activities		43,832	3,400	47,232	51,396	16,333	67,729
Income from trading activities	7	1,212	-	1,212	979	-	979
Investments	9	952	-	952	564	-	564
Other income		682	-	682	656	-	656
TOTAL INCOME & ENDOWMENTS		46,678	3,400	50,078	53,595	16,333	69,928
EXPENDITURE ON:							
Raising Funds							
Cost of generating voluntary income and governance	5	6,280	-	6,280	5,753	118	5,871
Investment management fees	5	119	-	119	116	-	116
Trading operating costs	5	1,006	-	1,006	806	-	806
		7,405	-	7,405	6,675	118	6,793
Charitable Activities							
England		12,819	-	12,819	34,392	11,712	46,104
Scotland		2,099	-	2,099	4,513	-	4,513
Wales		1,253	-	1,253	2,702	-	2,702
Northern Ireland		1,426	-	1,426	2,737	-	2,737
UK wide grants		3,869	4,833	8,702	3,665	2,528	6,193
Grants awarded in the year	4	21,466	4,833	26,299	48,009	14,240	62,249
Costs of grant making & impact	5	5,883	236	6,119	4,493	987	5,480
		27,349	5,069	32,418	52,502	15,227	67,729
TOTAL EXPENDITURE		34,754	5,069	39,823	59,177	15,345	74,522
Net (losses) / gains on investments	9	(54)	-	(54)	600	-	600
Net income/(expenditure) for the year		11,870	(1,669)	10,201	(4,982)	988	(3,994)
Net Movement in Funds		11,870	(1,669)	10,201	(4,982)	988	(3,994)
RECONCILIATION OF FUNDS							
Total funds brought forward 1 July 2022		33,220	4,256	37,476	38,202	3,268	41,470
Total funds carried forward 30 June 2023		45,090	2,587	47,677	33,220	4,256	37,476

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 72 to 87 form part of these financial statements.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2023

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

Year to 30 June 2023					Year to 30 June 2022		
	Notes	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Donations	2	40,224	3,000	43,224	48,249	2,432	50,681
Gift aid payment from Children in Need Limited	7	206	-	206	173	-	173
Legacies	2	2,858	-	2,858	2,147	-	2,147
Charitable activities							
Partnership funding	2	750	400	1,150	1,000	13,901	14,901
Total Income from donations and charitable activities		44,038	3,400	47,438	51,569	16,333	67,902
Income from trading activities		290	-	290	298	-	298
Investments	9	952	-	952	564	-	564
Other income		683	-	683	656	-	656
TOTAL INCOME & ENDOWMENTS		45,963	3,400	49,363	53,087	16,333	69,420
EXPENDITURE ON:							
Raising Funds							
Cost of generating voluntary income & governance	5	6,280	-	6,280	5,753	118	5,871
Investment management fees	5	119	-	119	116	-	116
Children in Need Limited Cost Recovery	7	291	-	291	299	-	299
		6,690	-	6,690	6,168	118	6,286
Charitable Activities							
England		12,819	-	12,819	34,392	11,712	46,104
Scotland		2,099	-	2,099	4,513	-	4,513
Wales		1,253	-	1,253	2,702	-	2,702
Northern Ireland		1,426	-	1,426	2,737	-	2,737
UK wide grants		3,869	4,833	8,702	3,665	2,528	6,193
Grants awarded in the year	4	21,466	4,833	26,299	48,009	14,240	62,249
Cost of grant making and impact	5	5,883	236	6,119	4,493	987	5,480
		27,349	5,069	32,418	52,502	15,227	67,729
TOTAL EXPENDITURE		34,039	5,069	39,108	58,670	15,345	74,015
Net (losses) / gains on investments	9	(54)	-	(54)	600	-	600
Net income/(expenditure) for the year		11,870	(1,669)	10,201	(4,983)	988	(3,995)
Net Movement in Funds		11,870	(1,669)	10,201	(4,983)	988	(3,995)
RECONCILIATION OF FUNDS							
Total funds brought forward 1 July 2022		33,205	4,256	37,461	38,188	3,268	41,456
Total funds carried forward 30 June 2023		45,075	2,587	47,662	33,205	4,256	37,461

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 pages 72 to 87 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 30 JUNE 2023

Company Number 04723022

	Notes	Group 30 June 2023 £'000	Group 30 June 2022 £'000	Charity 30 June 2023 £'000	Charity 30 June 2022 £'000
FIXED ASSETS					
Tangible assets	8	8	28	8	28
Investment in subsidiary	7	-	-	-	-
Investments	9	18,845	15,666	18,845	15,666
		18,853	15,694	18,853	15,694
CURRENT ASSETS					
Investments	9	53,371	65,480	53,371	65,480
Stock		180	230	-	-
Debtors	10	7,826	6,923	8,259	7,152
Cash and cash equivalents		10,305	13,540	10,014	13,515
		71,682	86,173	71,644	86,147
Creditors: amounts falling due within one year	11	(32,019)	(47,515)	(31,996)	(47,504)
NET CURRENT ASSETS		39,663	38,658	39,648	38,643
TOTAL ASSETS LESS CURRENT LIABILITIES		58,516	54,352	58,501	54,337
Creditors: amounts falling due after more than one year	11	(10,839)	(16,876)	(10,839)	(16,876)
NET ASSETS		47,677	37,476	47,662	37,461
RESERVES					
Unrestricted funds	14	45,090	33,220	45,075	33,205
Restricted Grant Funds	14	2,587	4,256	2,587	4,256
Total Funds		47,677	37,476	47,662	37,461
TOTAL RESERVES		47,677	37,476	47,662	37,461

The notes on pages 72 to 87 form part of these financial statements.

The accounts on pages 68 to 87 were approved by the Trustees on 19 October 2023 and signed on their behalf by:

Rosie Millard
Chair

Rhona Burns
Treasurer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Schedule	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
Cash flow from operating activities:			
Net cash provided by operating activities	A	(13,055)	(2,618)
Cash flow from investing activities:			
Interest from investments		952	564
Purchase of equipment		(9)	0
Purchase of investments		(804,271)	(1,111,786)
Proceeds from sale of investments		813,148	1,119,299
Net cash used in investing activities		9,820	8,077
Change in cash and cash equivalents in the reporting period		(3,235)	5,459
Cash and cash equivalents at the start of the reporting period	B	13,540	8,081
Cash and cash equivalents at the end of the reporting period	B	10,305	13,540

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

	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
Net income/(expenditure) for the year	10,201	(3,994)
Depreciation charges	28	69
Investment income	(952)	(564)
Loss/(gain) in investment	54	(600)
Decrease/(increase) in stock	50	(39)
(Increase)/decrease in debtors	(903)	3,640
(Increase) in creditors	(21,533)	(1,130)
Net cash (outflow) provided by operating activities	(13,055)	(2,618)

B. Analysis of cash and cash equivalents

	At 30 June 2022 £'000	Cash Flows £'000	At 30 June 2023 £'000
Cash at bank	13,540	(3,235)	10,305
Money market deposits	-	-	-
Total cash and cash equivalents	13,540	(3,235)	10,305

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2023

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 19 October 2023 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 2023, 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.

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

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 8.

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

Further details of fixed and current investments are given in Note 9.

Stock

Stock is held by Children in Need Limited. Further details of the accounts of Children in Need Limited are given in Note 7. 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 13.

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 2023, 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 2023, 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.

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 2023, on a line by line basis. Children in

Need Limited is a company registered in England and Wales and exists primarily to sell Children in Need merchandise and license products using the Pudsey Bear trademark.

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

Loan to Children in Need Limited

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

Judgements and estimates

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

2 INCOME

Income from donations and gift aid totalling £43,224k (2022: £50,681k) 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 £47,438k (2022: £67,902k). Total income per the Charity Statement of Financial Activities is £49,363k (2022: £69,420k)

	Unrestricted funds				Restricted funds		
	Direct public support £000	High value donors & partnerships £000	BBC programmes £000	Other £000	High value donors & partnerships £000	Total 2023 £000	Total 2022 £000
Schools	3,936	-	-	-	-	3,936	4,551
Public fundraising	2,382	-	-	-	-	2,382	3,398
Donations	12,472	7,980	10,238	-	3,000	33,690	38,447
Gift aid on donations	3,216	-	-	-	-	3,216	4,285
TOTAL DONATIONS	22,006	7,980	10,238	-	3,000	43,224	50,681
Gift aid payment from Children in Need Limited	206	-	-	-	-	206	173
Partnership funding	-	750	-	-	400	1,150	14,901
Legacies	2,858	-	-	-	-	2,858	2,147
TOTAL INCOME FROM CHARITABLE ACTIVITIES	25,070	8,730	10,238	-	3,400	47,438	67,902
Licence fee income	-	290	-	-	-	290	298
Return on investments	-	-	-	952	-	952	564
Other income - Gift in Kind	-	-	-	683	-	683	656
RECONCILIATION TO CHARITY SOFA						49,363	69,420
Gift in Kind						(683)	(656)
Less losses / plus gains on investments						(54)	600
RECONCILIATION TO REPORTED INCOME						48,626	69,364

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

Grant Awards	(21,466)	(4,833)	(26,299)	(62,249)
Costs of grantmaking	(5,507)	(236)	(5,743)	(5,102)
Costs of Generating Income and Governance	(6,383)	-	(6,383)	(6,007)
Movement in reserves	(11,870)	1,669	(10,201)	3,994
REPORTED TOTAL INCOME	(45,226)	(3,400)	(48,626)	(69,364)

Income as reported by the charity is £47,727k (2022:£68,199k) which is the income reported on the SOFA of £49,363k excluding gift in kind of £683k and investment returns of £952k.

3 GIFTS IN KIND

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

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

The costs of support through the provision of office space and other services for the last financial year have been calculated as £683k (2022 - £656k) 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 72 for disclosure of key judgements in relation to Gifts in Kind.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

4 GRANT EXPENDITURE

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

Grants Reconciliation		Group 2023 £'000	Group 2022 £'000
Grants outstanding as at 1 July 2022		61,574	65,055
Grants awarded in the period		26,299	62,249
Grants paid in the period		(48,126)	(65,730)
Grants outstanding as at 30 June 2023		39,747	61,574

Total Grants Awarded In The Period	Qty	Group 2023 £'000	Group 2022 £'000
Open Call grant award			
Main & Small Extension Grants	1,658	859	44,663
Youth Investment Fund	-	-	11,917
Core Grants	98	6,650	-
Project Grants	119	8,201	-
	1,875	15,710	56,580
In Partnership with:			
A Million & Me Programme	8	605	814
The Hunter Foundation	5	1,869	507
iWill - Youth Social Action, We Move	131	4,444	481
NSPCC	-	-	168
Premier League	-	-	667
Children's Society	-	-	133
Legal Education Foundation	1	81	220
Alliance for Youth Justice	1	47	47
HSBC	20	134	97
McDonalds Community Connections	54	135	-
Youth Work Alliance	1	169	-
Blagrave Trust	1	133	-
New Philanthropy Capital	1	48	-
The Felix Project	1	100	-
Others	5	67	-
	229	7,832	3,134
Emergency Funding	2	3,500	3,100
Total Grant Awards	2,106	27,042	62,814
Grant Underspends		(743)	(593)
Training of Grantees		-	28
		26,299	62,249

In the year ended June 2023 £27,042k before returns and training support (2022: £62,814k) was awarded to projects and programmes. The Charity paused grant making in the first half of the financial year while the new grant making strategy was implemented so part of the year on year reduction in grant awards is due to timing but part is also due to the reduced income from donations and charitable activities.

Of this amount direct open call funding totalled £15,710k (2022: £56,580k), £3,500k (2022: £3,100k) was awarded in Emergency funding and £7,832k (2022: £3,134k) across other partnership programmes.

Adjustments to grants

An amount of £743k (2022: £593k) 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. Due to the pausing of grant making the cost in 2023 was nil (2022: £28k).

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.

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2023 total £'000	2022 total £'000
Costs of generating funds					
Cost of generating voluntary income	2,549	1,336	2,037	5,922	5,557
Investment management fees	-	-	119	119	116
Trading operating costs	133	-	873	1,006	806
Governance	95	259	4	358	314
Charitable activities					
Grantmaking, policy & Impact	3,409	1,270	1,440	6,119	5,480
	6,186	2,865	4,473	13,524	12,273
Gifts in kind				(683)	(657)
Operating costs				12,841	11,616

Specific expenditure items included in the figures above are:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Depreciation	29	69	29	69
Operating leases	45	35	45	35
Reimbursement of trustees expenses	2	3	2	3
Auditors' remuneration:				
Audit of these accounts	58	50	58	50
Audit of the charity's subsidiary pursuant to the legislation	2	2	-	-
Taxation compliance services	2	2	1	1
Legal fees	37	33	37	33

Support costs are broken down as:

	Staff costs £'000	Office and IT costs £'000	Depreciation £'000	Professional fees £'000	Gifts in kind £'000	2023 total £'000	2022 total £'000
Costs of generating funds							
Cost of generating voluntary income	754	190	14	81	297	1,336	1,122
Governance	181	45	3	20	10	259	229
Charitable activities							
Grant making, policy and impact	649	163	12	70	376	1,270	1,130
	1,584	398	29	171	683	2,865	2,481

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

6 EMPLOYEE AND PENSION INFORMATION

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

	Group 2023	Group 2022	Charity 2023	Charity 2022
Generating funds	63	60	60	57
Grant giving	86	87	86	87
Governance	4	3	4	3
	153	150	150	147

The equivalent number of full time staff is 144 (2022: 141).

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

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Wages and salaries	6,100	6,007	5,992	5,892
Social Security costs	672	634	660	623
Pension costs	611	599	602	591
Other staff costs	387	406	383	402
	7,770	7,646	7,637	7,508

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 £611k in the year (2022: £599k).

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 D6 and D7 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. £2k of expenses were paid in the period to 6 trustees (2022: £3k).

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

	Group 2023	Group 2022
£60,000 - £69,999	6	5
£70,000 - £79,999	2	4
£80,000 - £89,999	1	2
£90,000 - £99,999	2	1
£100,000 - £109,999	1	-
£110,000 - £119,999	-	2
£120,000 - £129,999	-	-
£130,000 - £139,999	-	1
£140,000 - £149,000	-	-
£150,000 - £160,000	1	-
	13	15

The emoluments paid to the Chief Executive in the year were £154,044 (2022: £138,198).

Retirement benefits are accruing under defined benefit schemes for four (2022: five) 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 £993k (2022: £794k). The Charity has invested in its leadership team in the year to ensure delivery of the long term strategy.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

7 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 £928k is derived from the sale of merchandise to the public through our online store and fundraising events (2022: £687k). In addition, Corporate Partners purchase BBC Children in Need product to support their fundraising activities as well as sell their own products licensed by Children in Need Limited, for this a license fee is charged £284k (2022: £292k).

The Trading Company has gifted its net profit of £206k (2022: £172k) to the Charity.

	Year to 30 Jun 23 £'000	Year to 30 Jun 22 £'000
Turnover	1,212	979
Product cost of sales	(715)	(508)
Contribution	497	471
Other cost of sales	(95)	(108)
Gross profit	402	363
Operating expenses	(198)	(191)
Interest receivable	2	-
Net profit	206	172
Gift aid payment to BBC Children in Need Appeal	(206)	(172)
Retained in Children in Need Limited	-	-
	30 Jun 23 £'000	30 Jun 22 £'000
Fixed assets		
Tangible assets	-	-
Current assets		
Stock	180	230
Debtors	66	89
Cash at bank and in hand	290	25
TOTAL CURRENT ASSETS	536	344
Creditors: amounts falling due within one year	(521)	(329)
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

Within the creditors amount of £521k is £499k (2022: £318k) owing to the Charity. This is made up of an outstanding loan of £150k not due for repayment, £206k of gift aid and £13k of recharges not yet transferred back to the Charity. The movement in the creditor balance in the year of £181k is explained as follows:

Inter Company Transactions in year	2023 £'000	2022 £'000
Staff & staff expenses recharged by charity	167	155
Donations deposited with the trading company	150	199
Trading vat transactions paid through the charity	117	81
Loan interest charged by the charity	16	7
Gift aid payment donated to charity	206	173
Merchandise and storage costs recharged to charity	(53)	(20)
Cash transferred to charity in part settlement of the above	(422)	(790)
Movement	(181)	(195)

8 TANGIBLE ASSETS

Group	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2022	779	1	780
Additions	9	-	9
Disposals	(417)	(1)	(418)
As at 30 June 2023	371	-	371
Accumulated depreciation			
As at 01 July 2022	751	1	752
Charge for the year	28	-	28
Disposals	(416)	(1)	(417)
As at 30 June 2023	363	-	363
Net Book Value			
As at 30 June 2022	28	-	28
As at 30 June 2023	8	-	8

Charity	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2022	704	1	705
Additions	9	-	9
Disposals	(416)	(1)	(417)
As at 30 June 2023	297	-	297
Accumulated depreciation			
As at 01 July 2022	677	1	678
Charge for the year	28	-	28
Disposals	(416)	(1)	(417)
As at 30 June 2023	289	-	289
Net Book Value			
As at 30 June 2022	27	-	27
As at 30 June 2023	8	-	8

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

9 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 2023.

Income in the year of £898k relates to interest earned on investments held in the year £952k plus revaluation losses -£54k (2022: £1,164k (£564k interest and £600k gains)).

Group and Charity	2023 £'000	2022 £'000
Market Value at 1 July 2022	81,146	88,059
Add: acquisitions at cost	804,441	1,119,375
Less: disposals at market value	(813,148)	(1,119,299)
Add: net (losses) / gains on revaluation	(54)	600
Market Value at 30 June 2023	72,385	88,735
Add: deposits held at financial institutions	(1,257)	(1,087)
Less: deposits held at financial institutions at 30 June 2022	1,087	(6,502)
Total Investments at 30 June 2023	72,215	81,146

The investments can be analysed as follows:

	2023		2022	
	Valuation £'000	Cost £'000	Valuation £'000	Cost £'000
Fixed income				
-maturing in more than 1 year	13,683	14,277	13,535	14,013
-maturing in less than 1 year	38,255	38,047	38,701	38,674
Alternatives				
-maturing in more than 1 year	21,531	19,658	29,997	27,274
-maturing in less than 1 year	4	-	-	-
Deposits held with financial institutions	(1,257)	(1,257)	(1,087)	(1,086)
	72,216	70,725	81,146	78,875
Included as:				
Fixed asset investments	18,845	18,845	15,666	15,666
Current investments	53,371	51,880	65,480	63,209
	72,216	70,725	81,146	78,875

Included within the above totals are cash and cash equivalents of 1,087k (2022: -£6,502k).

10 DEBTORS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	1,591	241	1,525	155
Amounts owed by subsidiary undertaking	-	-	499	318
Other debtors	2,277	3,824	2,277	3,824
Taxation	3	160	3	157
Prepayments and accrued Income	2,895	2,440	2,895	2,440
	6,766	6,665	7,199	6,894
Amounts falling due after more than one year				
Other debtors	1,060	258	1,060	258
	1,060	258	1,060	258

Included in the £499k (2022: £318k) amount owed by subsidiary undertaking is a receivable from Children In Need Limited for gift aid of £207k and £150k intercompany loan which is repayable on demand, (2022: £173k and £150k respectively).

Prepayments and accrued income of £2,895k are split £161k and £2,716k (2022: £2,440k split £22k and £2,418k) 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.

11 CREDITORS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Amounts falling due within one year				
Trade creditors	1,733	1,589	1,719	1,583
Grants payable	28,908	44,698	28,908	44,698
Accruals and deferred income	1,369	1,228	1,369	1,223
Taxation	9	-	-	-
	32,019	47,515	31,996	47,504
Amounts falling due after more than one year				
Grants payable	10,839	16,876	10,839	16,876
	10,839	16,876	10,839	16,876

Within grants payable, £28,908k (2022: £44,698k) is due to be paid within one year and £10,839k (2022: £16,876k) paid within the next two to three years. Of the total grant payable amount of £39,747k, £19,578k relates to our main and small responsive grants awarded over the last 1-3 years, £13,572k relates to our core and project grants awarded and payable over the next 3 years, £3,000k relates to our emergency essential programme that is funded for the next 11 months and the balance of £3,597k relates to proactive grant partnerships including Premier League, iWill and Wellcome Trust.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

12 FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	Notes	Group 2023 £'000	Group 2022 £'000
Financial assets measured at amortised cost are: trade debtors, accrued income, cash and other debtors excluding prepayments	10	16,713	19,353
Financial assets measured at fair value through income and expenditure	9	73,472	82,233
Financial liabilities at amortised cost are: trade creditors, grants payable, other creditors, accruals excluding deferred income	11	42,858	64,391

13 OPERATING LEASES

	Group		Group	
	Land & buildings 2023 £'000	Other 2023 £'000	Land & buildings 2022 £'000	Other 2022 £'000
Operating leases future minimum payments:				
- within one year	-	38	-	47
- later than one year and not later than five years	-	24	-	54
	-	62	-	101

14a FUNDS

The fund balances are shown below.

Funds £'000	Opening Fund 1 Jul 22	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 23
iWill	1,247	-	400	-	-	-	-	400	(686)	(227)	-	734
YFF	9	-	-	-	-	-	-	-	-	(9)	-	-
THF	3,000	-	-	-	-	-	-	-	(1,147)	-	-	1,853
Other partnerships	-	3,000	-	-	-	-	-	3,000	(3,000)	-	-	-
Restricted Impact Fund	4,256	3,000	400	-	-	-	-	3,400	(4,833)	(236)	-	2,587
Unrestricted designated impact fund	19,175	35,158	750	2,715	-	206	-	38,829	(21,466)	(5,507)	-	31,031
General continuity Fund	8,795	1,850	-	143	3,216	290	898	6,397	-	-	(6,383)	8,809
Investment continuity Fund	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Development Fund	250	-	-	-	-	-	-	-	-	-	-	250
Total unrestricted funds	33,220	37,008	750	2,858	3,216	496	898	45,226	(21,466)	(5,507)	(6,383)	45,090
Total funds	37,476	40,008	1,150	2,858	3,216	496	898	48,626	(26,299)	(5,743)	(6,383)	47,677

The closing restricted fund of £2.6m (2022: £4.3m) represents £1.9m of donations previously received from The Hunter Foundation (THF) and the balance of £0.7m (2022: £1.2m) of income from iWill will be used to continue our joint support of support of children deemed to be on the edge of the care system and Youth Social Action respectively. New funds of £3m have also been received from Asda and fully spent in support of the Emergency Essential Programme.

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

Unrestricted funds totalling £45.1m (2022: £33.2m) are held for the following purposes:

- The ‘Designated Impact Fund’ of £31.0m (2022: £19.2m) 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 (2022: £8.8m) is held to cover uncertainty of income available to fund general operating costs.
- The ‘Development Fund’ of £0.3m (2022: £0.3m) is to allow for future investment and respond to growth opportunities.
- The ‘Investment Continuity Fund’ of £5.0m (2022: £5.0m) is to manage volatility or total return (capital value or income) from income generating assets.

14b COMPARATIVE FUNDS NOTE

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

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

14c ANALYSIS OF NET ASSETS BY FUND

Fund balances at 30 June 2023 are represented by:

Group	Unrestricted designated impact funds £'000	Restricted funds £'000	Unrestricted general funds £'000	Total £'000
Fixed assets	18,853	-	-	18,853
Net current assets	23,017	2,587	14,059	39,663
Long-term liabilities	(10,839)	-	-	(10,839)
Net assets	31,031	2,587	14,059	47,677

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

15 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.

16 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 2023 are as follows:

	2023 £'000	2022 £'000
Subsidiary Undertaking	499	318

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

At the yearend BBC Children in Need had a creditor balance with the BBC Group of £1.3m (2022: £0.7m) relating to the recharge of employee costs.

B B C
**CHILDREN
IN NEED**