

**BBC**

**MEDIA ACTION**

TRANSFORMING LIVES THROUGH MEDIA  
AROUND THE WORLD

**Annual Report 2012/13**

## Contents

OVERVIEW .....	3
BOARD OF TRUSTEES' REPORT.....	4
OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT .....	4
REVIEW OF 2012/13 OBJECTIVES.....	6
LOOKING AHEAD: OUR AIMS FOR 2013/14 .....	10
FINANCIAL REVIEW.....	12
FINANCIAL POLICIES .....	12
OUR ORGANISATION .....	13
STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF BBC MEDIA ACTION IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS...	17
TRUSTEES, SENIOR STAFF AND ADVISORS.....	18
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC MEDIA ACTION .....	19
FINANCIAL STATEMENTS.....	21

## OVERVIEW

As the BBC's international development charity, BBC Media Action has long worked closely with governments, non-governmental organisations and broadcasters to ensure efforts are linked up on the ground to bring lasting change in developing countries. But since we were founded 14 years ago, we have also worked in less stable countries marked by conflict and this year has been no different. In Afghanistan, Iraq, Libya, South Sudan, Burma and Somalia, we have delivered media and communication projects that have ranged from providing mothers with life-saving health information to creating opportunities for people to hold their leaders to account, often for the first time.

In Afghanistan, for example, a particularly memorable recording of radio and TV debate show Open Jirga saw President Karzai answer audience questions about topics such as corruption, his government's record over the past decade and peace with the Taliban. One audience member, a man with a disability, has since been invited by Karzai to be his advisor on disability issues and the president says he plans to employ a representative with a disability in each of his ministries.

In Iraq, meanwhile, the country's only independent radio station providing public service broadcasting, Radio Al Mirbad, goes from strength to strength. Our research this year found that over 1.7 million people across the country's nine southern provinces tune in at least once a week. Since BBC Media Action set it up in 2005, Radio Al Mirbad has launched a website and is now locally owned and managed. The challenges faced by Radio Al Mirbad since its launch were examined this year in our latest policy briefing, *The Media Of Iraq Ten Years On*, which focused on the problems, progress and prospects for all of Iraq's media a decade after the US-led invasion.

Work under the Global Grant from the UK government's Department for International Development continued across the whole organisation this year. The work is split into four outputs: governance, health, resilience and humanitarian response, and policy and evidence. In year one of the Global Grant (from November 2011 to October 2012), we reached 49.2 million people and in the first annual review, we achieved an A+ rating. Other sizeable projects continuing this year included a maternal and child health project in Bihar, India, funded by the Bill and Melinda Gates Foundation.

Annual expenditure on charitable activities reached £38.3m (2012: £28.1m). The Executive Director, Caroline Nursey and Chair of Trustees, Peter Horrocks, worked with staff and Trustees to create a new strategy paper, *What We Will Do And How We Will Work – 2012-2015*. Our methodologies and key thematic strategies have continued to be strengthened while structures to support project design and delivery have improved. New monthly reporting procedures have helped to deliver greater transparency and clarity. Improvements to our IT capacity in key country offices and a new data and record management system are improving internal communication.

In terms of unrestricted funding efforts, the corporate partners scheme has grown over the past year from its original three partners to 11. Our scheme targeting High Net Worth Individuals, the Catalyst Fund, has increased to £80,000 which is expected to be spent on BBC Media Action's work in 2013/14.

Over the past year BBC Media Action has reinforced its niche position as a specialist charity using media and communication for positive social change and delivered work underpinned by rigorous research and evidence. And we continue to break new ground.

In Burma, for example, since 2011 we have provided online and face-to-face journalism training and provided impartial and relevant information to young people through radio programme *Lin Lat Kyair Sin* (Bright Young Stars). Then in September 2012, we were given unprecedented permission by the Burmese government to open a project office to train and offer long-term support to state and independent broadcasters. With staff now in place, we are already seeing the impact of our training on the state broadcaster's output.

Such new challenges show the continued need for our work and through our talented and dedicated staff around the world, we will continue to deliver high-quality projects to improve health, increase people's resilience and support people in understanding their rights.

## **Board of Trustees' Report**

The Trustees present their Trustees' Report and financial statements for the year ended 31 March 2013.

## **OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT**

**The objects for which BBC Media Action is established are:**

- the education and training of journalists and all others engaged in the broadcast media in the principles and practice of journalism, programme production, broadcasting and related media skills, including ethics and codes of conduct, technical presentation and writing skills, interviewing techniques, press and news conferences, relevant law and newsroom roles and responsibilities, so as to promote high standards of balance, fairness, integrity and professionalism; and,
- the education of the public in the arts and sciences, including health, law, social policy, public administration, history, politics, economics, environmental protection, languages and in the availability of education, and in particular through raising public awareness on subjects such as sexual and reproductive health issues by producing public service announcements, discussion programmes and drama and broadcasting and other dissemination of educational films and radio and television programmes, and the publication of other educational material for the benefit of the public.

**BBC Media Action carries out these objects through the following activities:**

- delivering projects that transform lives through media - using media and communications to improve health, increase people's resilience and support people in understanding their rights in a range of countries in Africa, Asia, the Middle East and, to a lesser extent, in Eastern Europe and the former Soviet Union. Our projects use radio, television, mobile and social media to reach target audiences and employ drama, debate, current affairs formats, public service announcements and blogs to reach development objectives as well as training journalists and others.
- working in alliance with others towards our vision. Within the BBC, we are extending our reach by working closely with the language services of the World Service and other broadcasters in making many of our programmes and, where appropriate, in providing material that will be broadcast by them. We also work with other development actors within the British and international development community and with academic institutions in the UK and the countries where we work to explore the role of media from a policy perspective. We work with civil society organisations, local media organisations and with governments.

We have established that we will achieve greatest impact and public benefit by focusing on three thematic areas: governance and rights, health, and resilience and humanitarian response. Our approach to gender encompasses all areas of our work – reflecting both how we champion diversity and equality as an employer and integrate it into our work. Across all three thematic areas we aim to be inclusive and seek to be aware of gender and diversity and to design and implement our strategies and projects accordingly to reach beneficiaries across the world.

Across the three themes, we aim to provide information, to enable debate and conversation and to strengthen media and communication. In addition to the specific objectives of particular projects, our activities therefore contribute to good levels of governance in the countries in which we work.

We seek to design our projects around four activity sets: research, media development, production and outreach (wherever appropriate designing projects that incorporate all four of these).

The beneficiaries of our work are the audiences who hear, watch or interact with our radio, television, mobile phone, online and social media outputs, and journalists and others who are recipients of training and mentoring, and their audiences. In most cases people receive our services without charge. Occasionally, we charge for a service to set it up in a way that will be sustainable beyond the life of the project.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing BBC Media Action's aims and objectives and in planning future activities. BBC Media Action is committed to strengthening the media in developing countries and using media

and communications to improve health, increase people's resilience and support people in understanding their rights.

## REVIEW OF 2012/13 OBJECTIVES

A new operational plan called *What We Will Do And How We Will Work – 2012-2015* was completed this year. The paper set out how we will extend our work, with an aim to reach over 200 million people around the world each year and focusing on our three themes: governance and rights, health, and resilience and humanitarian response. With those thematic areas in mind, the organisation worked to the following four objectives:

### Impact

**Aim:** *To deliver the Global Grant, and new work across Asia, Africa, the Arab World and Europe, with all programmes effectively increasing reach as planned.*

### How we did it:

In the financial year 2012/13, we worked on 81 projects on multiple platforms (TV, radio, online, mobile, print) in partnership with local broadcasters and BBC channels and services. Under the Global Grant, in year one (November 2011-October 2012) we reached 49.2 million people (source: BBC Media Action research).

- Our expanded central Editorial Development team have helped to ensure that all our broadcast outputs are of high editorial quality and appropriate to the audiences and context in which they are used. Programme reviews within and across regions continue to be undertaken and editorial excellence remains a priority. For example, the initial pilot of the TV and radio debate show *Sema Kenya* did not meet production standards so a new TV partner was negotiated in time for the first broadcast on 7<sup>th</sup> October 2012. Since then, in a vital election year for the country, the programme has travelled to 13 regions across Kenya and broadcast 20 programmes on national TV, eight radio stations and online. After taking part, one studio audience member from Naivasha said, "I learned that this is a platform that allows us to interact and question our leaders directly and that they are answerable to us." Another member of the audience wrote on the programme's Facebook page: "*Sema Kenya* has kept leaders on their toes." A workshop on learning gained from the first series has been led by the Editorial Development team to inform and develop series two of *Sema Kenya*.
- We have effectively designed and delivered the Global Grant and all our projects so that they achieve impact against the agreed objectives of each project. In the first annual review of the Global Grant, we achieved an A+ rating which means we "moderately exceeded expectations" and there have been many highlights. Under Output 1 - governance, TV and radio debate show *Sanglap* (Dialogue) returned for a new series in Bangladesh and featured one particularly powerful programme where survivors of a factory fire demanded justice. Under Output 2 – health, new radio drama *Life In Lulu* and



radio magazine show Our Tukul (Our House) went on air in South Sudan to inform people about what they can do to stop preventable deaths of mothers and babies in the country which has the highest maternal mortality rate in the world. Broadcast nationally through 16 partner stations, Life In Lulu tackles people's potentially harmful beliefs about pregnancy, childbirth and child health, such as the misconception that only unfaithful women experience complicated pregnancies or painful deliveries – beliefs which were identified through BBC Media Action's formative research. Under Output 3 – preparedness for Lifeline programming and resilience, work has continued apace, with over 33,000 people now interviewed for the Climate Asia research project. In Nepal, meanwhile, we continued to lead a communications sub-group for the Nepal Risk Reduction Consortium (NRRRC) a body which represents the Nepali government, the UN, non-governmental organisations, donors, the World Bank and Asian Development Bank. Our work this year with the consortium members included a workshop in June 2012 with participants from 28 different organisations examining how best to support the government in launching a Disaster Risk Reduction campaign and developing key information for emergencies.

- Under the Global Grant's Output 4 – policy and evidence, our team of almost 100 specialist qualitative and quantitative researchers around the world has continued to develop the intellectual framework and mechanisms to measure the impact of the Global Grant and used the information to enhance the quality of all our work and to inform the sector. Dissemination of our research and policy findings this year include three research working papers and major policy briefings on mobile health and the problems, progress, and prospects of Iraq's media ten years after the US-led invasion. Our staff have presented in various fora including a TEDx talk about our mobile health policy briefing in New York, and the Doha 2012 UN Climate Change Conference. Our policy briefing, The Media Of Afghanistan: The Challenges Of Transition, was launched in both Kabul and Washington DC in May 2012, followed by briefings in New York with UNDP, in Stockholm at the Swedish International Development Agency, in London at Chatham House and the UK Cabinet Office.

## **Income**

**Aim:** *To secure funding to support the delivery of projects and to increase the organisation's financial security.*

### **How we did it:**

- We raised £40.0m in income which was £1.0m less than expected.
- We raised income that was not supported by the Global Grant to a total value of £21.2m. In addition, we agreed with the UK government's Department for International Development that the Global Grant can constitute no more than 40% income over the life of the grant rather than in each year.
- So much organisational focus on the detailed planning and delivery of work under the Global Grant delayed the implementation of some other projects and affected other project development in the first

part of the year and the pipeline for 2014/15 and beyond. However in the second part of the year, the level of project development significantly increased.

- The first award of money totalling £100,000 from our High Net Worth Individuals scheme, the Catalyst Fund, was allocated for work in 2013/14 in Zambia, Sierra Leone and Yemen and is supporting skills and knowledge exchange between teams in Asia and Africa focused on the use of digital platforms. A third, very successful Correspondents Dinner fundraising event saw 187 guests hosted by 24 BBC correspondents.

The Corporate Leaders Group grew from three partners to 11.

## **Innovation**

**Aim:** *To learn from our technologically innovative projects (and from others in the sector and beyond), particularly work in Bihar State, India, and apply that learning where appropriate across our work.*

### **How we did it:**

- We continued to improve our systems and support to country teams. This has included large-scale upgrading of IT infrastructure using innovative cloud-based technology for the Tanzania office, improvements in internet connectivity and bandwidth for country offices in Nigeria, Sierra Leone, South Sudan, India and Nepal and ensuring all Country Directors have BBC laptops that can access Gateway and shared BBC networks. A trial of SharePoint software for the Africa region was also launched and is now in the system design phase. This project seeks to improve collaboration between staff in country offices and London.
- We continued to seek opportunities to partner with and learn from development innovators, production specialists, social entrepreneurs, and media practitioners, to strengthen the design and impact of our own work. One example from the past year is how we are working with partners in the populous state of Bihar, India. As part of the Ananya programme funded by The Bill and Melinda Gates Foundation, we are leading a consortium that includes Pathfinder International, the GSMA Development Fund and Madison World on a multiplatform strategy to reduce maternal and infant mortality in the state. In addition to TV adverts, a radio programme, listening clubs and a pioneering mobile phone tool called Mobile Kunji for use by community health workers, we have worked with a well-established street theatre company to perform over 10,000 performances about healthy behaviours in this media-dark area of India.
- The Bihar project has produced positive results to date: in its first eight months, over 38,000 community health workers were given training, 70,000 unique users - individual phone numbers – have called the mobile health service and 1.4 million minutes of content has been accessed. There is an interest from



the Indian government in taking Mobile Kunji to other states in India. Members of our India office also travelled to Nigeria to share their knowledge and explore the potential of using the model there.

- Such knowledge sharing across BBC Media Action has been encouraged by thematic workshops bringing together colleagues from across the organisation, including one on health and our third creativity and innovation workshop, Ignite.

## **Integration**

**Aim:** *To build partnerships with BBC World Service language services and other parts of Global News that deliver effective work within the Global Grant in particular and are recognised as valuable by both parties. Promote the purpose and work of BBC Media Action across the BBC to encourage collaboration and attachment opportunities.*

### **How we did it:**

- We established a framework of meetings, where regional directors attended regular meetings with BBC World Service language heads to enhance links with BBC World Service language and Global News colleagues. Further work needs to be done to clarify what engagement is needed at what level, particularly in certain countries such as Pakistan.
- We instigated regular pan-Global News communications about our work: examples included presentations at leadership breakfasts with senior managers and regular mentions and links to our work on the weekly Global News highlights email sent out by the Director, Global News.
- We ran a Nations and Regions roadshow to BBC offices in five locations – Salford, Belfast, Glasgow, Bristol and London New Broadcasting House – where staff from our country offices and the central Communications team engaged hundreds of colleagues in conversations about our work, distributed brochures, showed films, ran Q&As and invited colleagues to enter a competition.

## LOOKING AHEAD: OUR AIMS FOR 2013/14

In line with our plan What We Will Do And How We Will Work – 2012-2015, the organisation will continue to focus on the four objectives outlined above:

### Impact

**Aim:** *To deliver the Global Grant, and new work across Asia, Africa, the Arab World and Europe, with all programmes effectively increasing reach and levels of impact as planned.*

#### How we will do it:

- We will continue to ensure that all our broadcast outputs are of high editorial quality and appropriate to the audiences and context in which they are used.
- We will design and deliver the Global Grant and all our projects effectively so that they achieve impact against the agreed objectives of each project and achieve an A+ in the second annual review.
- We will continue to develop the intellectual framework and mechanisms to measure the impact of the Global Grant and use the information to enhance the quality of all our work and to share these findings with the sector.

### Income

**Aim:** *To secure funding to support the delivery of projects and to increase the organisation's financial security.*

#### How we will do it:

- We will deliver overall BBC Media Action income and expenditure as budgeted.
- We will effectively raise and spend non-Global Grant sourced funding to enable draw down of the Global Grant through the remainder of the grant period.
- We will develop key strategic funding relationships, laying down foundations including a basis for negotiating a future, larger Global Grant. We will also develop our relationship with The Bill and Melinda Gates Foundation to include funding for at least two countries and continue our engagement with the Gates Foundation at policy level. We will also significantly move forward one additional funding relationship.
- We will secure unrestricted or budget relieving income from High Net Worth Individuals, corporates and other fundraising initiatives as budgeted.

### Innovation

**Aim:** *To learn from our technologically innovative projects (and from others in the sector and beyond), particularly work in Bihar State, India, and apply that learning where appropriate across our work.*

**How we will do it:**

- We will make significant progress in our use of mobile technology. Our India team will effectively share their creative expertise and experience from maternal and child health projects to develop similar projects in at least two other countries.
- We will design and secure funding for a project on health and/or another area in Nigeria which incorporates a significant mobile element.
- We will continue to improve our systems and support to country teams so that learning from key country programmes is shared effectively, internally and externally. A new record and knowledge management system will also be established.
- We will seek opportunities to partner with and learn from development innovators, production specialists, social entrepreneurs, and the very best of media practitioners, to strengthen the shape and impact of our own work.

**Integration**

**Aim:** *To strengthen existing partnerships with BBC World Service language services, Global News and the wider BBC.*

**How we will do it:**

- We will secure support from BBC Worldwide beyond existing arrangements.
- We will increase BBC staff's recognition of BBC Media Action and increase payroll giving within the BBC by 100%.
- We will clarify ways of working between BBC Media Action and BBC World Service that maximise opportunities and reduce transaction costs.

## FINANCIAL REVIEW

The income and expenditure account for the year ended 31 March 2013 shows a surplus (net incoming resources) of £1.2m (2012: £0.8m). This exceeds the expectation for the year and reflects the continued concerted effort made to attribute costs appropriately to projects. The surplus improves BBC Media Action's reserves.

Total income of £40.0m was £10.5m higher than the previous year (2012: £29.5m). Although this represented significant growth, it was below expectations. As with previous years, the principle source of funding was grant funding for specific activities. The largest single amount came through a Global Grant from the UK government's Department for International Development, which represented £18.8m of income in the financial year. This is a five year grant that covers the period 1 November 2011 to 31 October 2016.

Total expenditure of £38.8m (2012: £28.7m) was higher than the previous year due to increased activity in both Asia and Africa regions. Expenditure on our charitable activity, providing public benefit by changing lives through media development and development communications, represented 98.7% of total expenditure (2012: 98.0%)

The consolidated cash flow statement shows that cash has slightly decreased by £0.2m during the year (2012: decrease of £4.3m). This reduction reflects the increase in debtors of £3.4m, mostly off-set by the increase in the total of creditors and provisions by £2.0m and the surplus of £1.2m.

This increase in debtors primarily relates to trade debtors and accrued income balances, where BBC Media Action has spent money on projects prior to receipt of money from donors. The increase from the prior year of these balances is broadly in line with the increase in overall size of the organisation.

## FINANCIAL POLICIES

### Reserves

As a result of the net incoming resources of £1.2m net assets in the consolidated balance sheet increased to £4.4m at 31 March 2013 (2012: £3.2m).

The Board of Trustees review the reserves policy on an annual basis in the context of BBC Media Action's multi-year plans and a review of the risks and opportunities for BBC Media Action. The Board of Trustees considers that BBC Media Action should hold reserves in the general fund (total unrestricted funds less designated funds) in the range of £3.5m to £4.0m (2012: £3.5m to £4.0m). This range is based upon an analysis of the financial risks faced by BBC Media Action, the stability, levels and types of future income, the

impact of future plans and commitments, and an assessment of the essential running costs of BBC Media Action.

Total unrestricted funds held at 31 March 2013 amounted to £4.4m (31 March 2012: £3.2m) of which reserves in the general fund amounted to £4.1m (31 March 2012: £2.5m). The Board of Trustees is pleased that general funds have increased and are just above the targeted range.

### **Investment Policy**

Cash balances are set out in the consolidated statements and BBC Media Action balance sheets and in the notes of the financial statements. The objective of the investment policy is to maximise interest whilst limiting risk.

### **Going concern**

The Board of Trustees is of the opinion that BBC Media Action and the group has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees has identified no material uncertainties that cast significant doubt about the ability of BBC Media Action to continue as a going concern as is further explained in Note 1 of the Financial Statements.

## **OUR ORGANISATION**

### **Staff and volunteers**

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2012/13 BBC Media Action employed an average of 571 staff, with 128 based in the London office. Of the staff based outside London, 5% are in the Middle East and Europe region, 43% in Africa, and 51% in Asia. This includes 33 expatriate staff who have specialist skills in media and or international development

The skill sets are diverse. In addition to attracting journalists and programme makers from elsewhere in the BBC and other media organisations, we have employed specialist development practitioners, trainers, producers, actors, development finance professionals, marketing and research experts from the private sector and more.

We advertise most of our jobs locally, invest in building local skills, and a high proportion of our staff are based in countries where we work. We seek to develop local skills, so that our work can be sustained long-term, after our own in-country projects have concluded. As a consequence, wherever possible we recruit staff from the countries or regions where we operate. We are keen to ensure a positive and supportive working environment for our staff. BBC Media Action has volunteers and work experience placements on a regular basis.

### **Legal structure**

BBC Media Action is registered as a charity (registered number 1076235), and is incorporated as a company limited by guarantee (registered number 3521587). The financial statements will be delivered to the Registrar of Companies. BBC Media Action was established under its Memorandum of Association with the objects and powers of a charitable company. It is governed by its Articles of Association.

The sole member of BBC Media Action, the BBC, undertakes to contribute to the assets of BBC Media Action in the event of it being wound up while it is a member, or within one year after it ceases to be a member for payment of the debts and liabilities of BBC Media Action contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, for the adjustment of the rights of the contributors among themselves such amount as may be required not exceeding £10. Each Trustee is a subscriber to the Memorandum of Association and accordingly the BBC Media Action had 10 subscribers at the end of the year 2012/13.

### **Subsidiary companies**

BBC Media Action has two subsidiary companies which are 100% owned by BBC Media Action at 31 March 2013: The Marshall Plan of the Mind Inform and BBC Media Action (India) Limited. The Marshall Plan of the Mind Inform did not trade during the year. Work in India during the year was largely transacted through BBC Media Action (India) Limited, which was called BBC WST Limited until the 12 September 2013.

On 28 December 2007 an independent entity known as the BBC World Service Trust India was set up in India with broadly similar objects to BBC Media Action. BBC World Service Trust India is able to receive funds from donors in India in Indian rupees. BBC Media Action has no investment in BBC World Service Trust India, but, in accordance with SORP 2005, BBC World Service Trust India is regarded as a subsidiary undertaking and has been consolidated in the consolidated financial statements.

### **Governance**

The Trustees, who are also directors of the company, are listed on page 18. They meet at quarterly intervals. A Trustee may, and the Secretary on requisition of a Trustee may, at any time summon a meeting of the Trustees. The quorum necessary for the transaction of the business of the Trustees shall be the greater of two Trustees or one third of the total number.

The Trustees seek to ensure that all activities conform to UK and relevant local laws and are within agreed charitable objectives. Their work includes setting strategic direction and agreeing the financial plan. They perform some of their function through sub-committees of the Board, including a Finance and Audit sub-committee. The Finance and Audit Committee (FAC) consists of three members. The Chair of the Finance and Audit Committee is a non-BBC nominated trustee. The FAC meets at least four times a year. Trustees act on advice and information from regular meetings with the staff. Decisions made at other levels of the organisation are reported to the Trustees.



The Trustees have the power at any time, to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees, so long as the number does not exceed the total number of Trustees referred to in the Articles of Association, which states that "the number of Directors shall not be less than three and not more than 15 of whom eight shall be nominated by the British Broadcasting Company". Trustees are selected following either advertisements or recommendations, followed by a conversation with the Chairman of the Trustees. . Nominations are then put forward to the full Board for approval. An induction programme is available for all Trustees as is internal training on duties and responsibilities. Trustees are encouraged to visit BBC Media Action projects to obtain first-hand experience of BBC Media Action at country level. Knowledge sharing sessions provide Trustees with the opportunity to gain up to date information on particular issues.

### **Organisational structure and management**

BBC Media Action has its head office in London, UK, where central support functions of Business Development, Communications, Policy and Learning, Finance, Human Resources, Technology, Legal and the Director are based. There is a Management Team of five (Executive Director, Director of Programmes, Director of Policy and Learning, Director of Finance and Business Services, Director of Communications and Branding) and a Leadership Group that includes additional London based managers and country directors.

In addition to the UK office, at 31 March 2013 there are BBC Media Action offices in 17 countries (Afghanistan, Angola (closed in May 2013), Bangladesh, Burma, Cambodia, Ethiopia, India, Kenya, Nepal, Nigeria, Palestinian Territories, Sierra Leone, Somalia, South Sudan, Tanzania, Tunisia and Zambia), managed by Country Directors or Heads of Project, appointed by and accountable to the UK office. The country offices work with local development organisations and media partners in delivering the work described above. A streamlined group of London-based staff support Regional Directors and Country Directors, providing support on logistics and project development. In addition six staff in the Policy and Advisory team provide thematic support and five staff in the Editorial Development team provide editorial support.

The Research and Learning team carries out formative research to ensure that programmes are designed to reach appropriate and large audiences and that projects achieve maximum impact. They also evaluate the impact of our work.

### **Risk Management**

BBC Media Action has identified the major risks affecting its work and has ranked these by likelihood and impact. The Trustees have assessed these risks and are satisfied that reasonable steps are being taken to mitigate exposure to them. The Management Team reviews the risk register quarterly and is responsible for managing each risk identified. The Trustees review the risk register on an annual basis with more frequent review through a sub-committee. BBC Media Action operates an annual planning and budgeting system with an annual budget approved by the Trustees. Any significant changes to those plans need specific approval. Financial forecasts are made during the year.

**Disclosure of information to auditors**

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each Trustee has taken all the steps that he ought to have taken as a Trustee to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board of Trustees on 17 July 2013 and signed on its behalf by:

*P. J. C. Horrocks* 19/9/13

Peter Horrocks, Chair

## **STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF BBC MEDIA ACTION IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

## TRUSTEES, SENIOR STAFF AND ADVISORS

### Trustees\*\*

Peter Horrocks\* (Chair)

Alison Evans (Vice Chair from 1 February 2013)

George Alagiah\*

Martin Dinham (from 24 January 2013)

Richard Manning (until 31 January 2013, when he also stood down as Vice Chair)

Michael C. McCulloch †

Bhupendra Mistry † (stepped down from Finance and Audit Committee in January 2013)

Ralph Rivera\* (from 26 October 2012)

Susan Robinson-King

Richard Thomas\*†

Alison Woodham† (from 26 October 2012)

### Company secretary

Lindsey North\*

\* BBC representative

† Member of Finance and Audit Committee

\*\* All Trustees are also directors of the company

### Management Team

Caroline Nursey – Executive Director

Kirsty Cockburn – Director of Communications and Branding

James Deane – Director of Policy and Learning

Caroline Howie – Director of Programmes

Andrew Lawrence – Director of Finance and Business Services (until 18 March 2013)

Chris Baker – Director of Finance and Business Services (from 19 March 2013)

### Auditors

KPMG LLP, Chartered Accountants, Registered Auditors, 15 Canada Square, London, E14 5GL.

### Bankers

Lloyds TSB Bank plc, City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

### Registered Office

Broadcasting House, Portland Place, London W1A 1AA

Registered number 3521587

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC MEDIA ACTION**

We have audited the financial statements of BBC Media Action for the year ended 31 March 2013 set out on pages 21 to 40. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees Responsibilities set out on page 17, 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.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

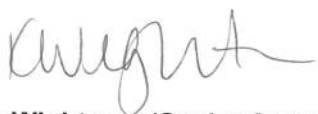
In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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; or

- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.



27 September 2013

**Karen Wightman (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants  
15 Canada Square  
London E14 5GL*



## FINANCIAL STATEMENTS

### Consolidated Statement of Financial Activities

(including the income and expenditure account) for the year ended 31 March 2013

	Note	Unrestricted funds 2013 £'000	Restricted funds 2013 £'000	Total 2013 £'000	Total 2012 £'000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	194	2,513	<b>2,707</b>	1,035
Activities for generating funds	3	215	-	<b>215</b>	144
Investment income	4	11	-	<b>11</b>	27
<i>Incoming resources from charitable activities:</i>					
Grant funding for specific charitable activities	5	3,941	33,103	<b>37,044</b>	28,277
<b>Total incoming resources</b>		<b>4,361</b>	<b>35,616</b>	<b>39,977</b>	29,483
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	6	(184)	(7)	<b>(191)</b>	(266)
Fundraising trading cost of goods sold and other costs	6	(84)	(3)	<b>(87)</b>	(50)
Total costs of generating funds		<b>(268)</b>	<b>(10)</b>	<b>(278)</b>	(316)
<i>Charitable activities</i>					
Changing lives through media and communication:					
Africa	6	(669)	(9,655)	<b>(10,324)</b>	(7,727)
Asia	6	(1,346)	(16,396)	<b>(17,742)</b>	(8,738)
Rest of World	6	(558)	(6,479)	<b>(7,037)</b>	(10,152)
Cross cutting activities	6	(193)	(2,984)	<b>(3,177)</b>	(1,495)
Total charitable activities		<b>(2,766)</b>	<b>(35,514)</b>	<b>(38,280)</b>	(28,112)
<i>Governance costs</i>					
Governance costs	6	(138)	(92)	<b>(230)</b>	(251)
<b>Total resources expended</b>		<b>(3,172)</b>	<b>(35,616)</b>	<b>(38,788)</b>	(28,679)
<b>Net income for the year</b>	7	<b>1,189</b>	-	<b>1,189</b>	804
<b>Reconciliation of funds</b>					
Total funds brought forward		3,218	-	<b>3,218</b>	2,414
<b>Total funds carried forward</b>	17, 18	<b>4,407</b>	-	<b>4,407</b>	3,218

The statement of financial activities includes all gains and losses recognised during the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 24 to 40 form part of these financial statements.

## Consolidated and BBC Media Action Balance Sheets

at 31 March 2013

	Note	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
<b>Fixed assets</b>					
Tangible assets	10	61	142	61	142
Investments	11	-	-	20	20
		<b>61</b>	<b>142</b>	<b>81</b>	<b>162</b>
<b>Current assets</b>					
Debtors	12	10,394	7,009	10,103	6,636
Cash at bank and in hand	13	5,250	5,412	5,191	5,315
		<b>15,644</b>	<b>12,421</b>	<b>15,294</b>	<b>11,951</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(11,021)	(8,818)	(10,691)	(8,368)
Net current assets		<b>4,623</b>	<b>3,603</b>	<b>4,603</b>	<b>3,583</b>
Total assets less current liabilities		<b>4,684</b>	<b>3,745</b>	<b>4,684</b>	<b>3,745</b>
Provisions for liabilities	15	(277)	(527)	(277)	(527)
<b>Net assets</b>		<b>4,407</b>	<b>3,218</b>	<b>4,407</b>	<b>3,218</b>
<b>Funds</b>					
Unrestricted funds	17,18	4,407	3,218	4,407	3,218
Restricted funds	17	-	-	-	-
<b>Total Funds</b>	17	<b>4,407</b>	<b>3,218</b>	<b>4,407</b>	<b>3,218</b>

The notes on pages 24 to 40 form part of these financial statements.

The financial statements on pages 21 to 40 were approved by the Board of Trustees on 17 July 2013 and were signed on its behalf by:

*P. J. C. Horrocks* 19/7/13

Peter Horrocks  
Chair

## Consolidated Cash Flow Statement

for the year ended 31 March 2013

	<i>Note</i>	<b>Total 2013 £'000</b>	<b>Total 2012 £'000</b>
Net cash outflow from operating activities	20	<b>(173)</b>	(4,265)
Returns on investments and servicing of finance			
Interest received		<b>11</b>	27
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	(94)
Sale of tangible fixed assets		-	16
<b>Decrease in cash in the year</b>		<b>(162)</b>	(4,316)
Cash at the start of the year	13	<b>5,412</b>	9,728
<b>Cash at the end of the year</b>	13	<b>5,250</b>	5,412

## Notes (forming part of the financial statements) for the year ended 31 March 2013

### 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### a) *Basis of preparation*

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards and under historical cost accounting rules.

The accounts have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (March 2005) and on a going concern basis.

The Financial Review in the Trustees Report reviews the finances of BBC Media Action and the group in the year ended 31 March 2013 in comparison to the prior and earlier years.

The BBC Media Action Group has a healthy cash balance as set out in note 13 and has a large proportion of grant funding required for 2013/14 and 2014/15 contracted with donors. The Trustees Report explains how the BBC Media Action is structured and managed and how the major risks are managed.

The Board of Trustees has a reasonable expectation that BBC Media Action has adequate resources to continue in operational existence for the foreseeable future. Thus the Board of Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### b) *Basis of consolidation*

The consolidated financial statements include the financial statements of BBC Media Action and its subsidiary undertakings made up to 31 March 2013.

The financial statements of BBC Media Action (India) Limited (formerly BBC WST Limited), a company registered in England and Wales, the financial statements of BBC Marshall Plan of the Mind Inform, a close joint stock company registered in Russia, and the financial statements of BBC World Service Trust India have been consolidated with those of BBC Media Action.

It should be noted that BBC Marshall Plan of the Mind Inform did not trade in the current or prior years.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of financial activities or income and expenditure account.

BBC Media Action USA, Inc (formerly known as BBC WST, Inc) is a non-profit organisation that was incorporated on 18 May 2010 in the State of Delaware, USA. This organisation has a common director/trustee: Susan Robinson King. BBC Media Action does not have power to exercise dominant influence or control over BBC Media Action USA, Inc and on that basis it is not consolidated.

#### c) *Limited by guarantee*

BBC Media Action is a company limited by guarantee. The sole member of the company undertakes to contribute to the assets of the company in the event of it being wound up, while it is a member or within one year after it ceases to be a member, for payment of the debts and liabilities of the company contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £10. BBC Media Action had one member (the BBC) at the end of the period.

Each trustee is a subscriber to the Memorandum of Association and accordingly BBC Media Action had 10 subscribers at the end of the year.

**d) Fund Accounting**

BBC Media Action has various types of funds for which it is responsible and for which separate disclosure is required as follows:

*Restricted income funds*

Grants which are earmarked by the funder for specific purposes. Such purposes are within the overall aims of the charity.

*Unrestricted funds*

Funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. General funds are those unrestricted funds that have not been set aside by trustees for a particular purpose. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

**e) Incoming Resources**

*Incoming resources from charitable activities* are grants specifically for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries (paragraph 145e of SORP 2005). These are grants receivable which relate to the current year and are subject to donor imposed conditions which specify the time period in which expenditure of resources can take place. These grants less the management fee are credited to restricted income within the SOFA, with unspent balances being carried forward to subsequent years within the relevant fund. Where grants allow a management fee to be earned the management fee is credited to unrestricted income within the SOFA. Specific debts are recognised where approved grant expenditure exceeds grant income received to date and the charity can demonstrate entitlement to the income. Similarly, where entitlement to income is in a future period, the income has been deferred.

*Activities for generating funds* are the activities where BBC Media Action provides goods, services or entry to events in order to generate incoming resources to undertake charitable activities. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, the income is accrued.

Gifts in kind are valued at a reasonable estimate of the value to BBC Media Action, which is normally equal to the market value.

**f) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category as listed below.

*Governance costs* are the costs associated with the governance arrangements of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements (e.g. the cost of trustee meetings and preparing statutory accounts). Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

*Support costs*, which include the central or regional office functions such as general programme support, payroll administration, budgeting and accounting, information technology, human resources, and financing, are allocated across the categories of charitable expenditure and governance costs. The basis of the cost allocation has been explained in the notes to the accounts. The allocation for the purposes of the Statement of Recommended Practice may not always reflect the definition per various donor contracts.

**g) Foreign currency**

Transactions denominated in foreign currencies are recorded in sterling at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the statement of financial activities.

**h) Pension Costs**

Some UK employees are members of the BBC's pension schemes. The BBC group operates both defined benefit and defined contribution schemes for the benefit of the employees.

*Defined Benefit scheme*

The defined benefit schemes provide benefits based on final pensionable pay. The assets of the BBC Pension Scheme, to which the majority of BBC employees belong, are held separately from those of the BBC group.

BBC Media Action, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is not possible to identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis. The expenditure charged in the SOFA therefore represents the contributions payable to the scheme in the year.

*Defined Contribution scheme*

The assets of the scheme are held separately from those of BBC Media Action in an independently administered fund. The amounts charged as expenditure for the defined contribution scheme represent contributions payable by BBC Media Action in respect of the financial year.

**i) Provisions**

A provision is recognised in the balance sheet when BBC Media Action has a present legal or constructive obligation arising from past events, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

**j) Leases**

Payments made under operating leases are made on a straight-line basis over the lease term.

**k) Tax**

BBC Media Action 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.

**l) Fixed assets and depreciation**

Tangible fixed assets are normally stated at cost less accumulated depreciation. Assets costing more than £2,000 with an expected useful life of more than one year are capitalised. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight line basis, as follows:

Fixtures and equipment	3 years
Motor vehicles	4 years



## 2. Voluntary Income

Donations in the current year were derived from the following sources:

	Unrestricted funds 2013 £'000	Restricted funds 2013 £'000	<b>Total 2013 £'000</b>	Total 2012 £'000
BBC Group	-	571	<b>571</b>	600
BBC World Service	150	-	<b>150</b>	150
BBC World News	-	584	<b>584</b>	78
BBC Worldwide	-	50	<b>50</b>	13
Norwegian Agency for Development Cooperation (Norad)	-	-	<b>-</b>	138
Deloitte	-	120	<b>120</b>	-
BTV	-	757	<b>757</b>	-
Pro Althorm	-	370	<b>370</b>	-
Individuals / other	44	61	<b>105</b>	56
	<u>194</u>	<u>2,513</u>	<u><b>2,707</b></u>	<u>1,035</u>

The BBC Group donation represents the gift in kind value of office facilities. The valuation is based on the actual cost of providing the office to the BBC.

The BBC World News donation represents gift in kind commercial TV time for BBC Media Action content.

The BBC Worldwide donation represents gift in kind services for online advertising space for BBC Media Action content.

The BTV donation represents gift in kind commercial airtime for BBC Media Action content.

## 3. Activities for generating funds

Activities for generating funds were derived from the following sources:

	<b>Total 2013 £'000</b>	Total 2012 £'000
BBC Worldwide	<b>100</b>	100
Other	<b>115</b>	44
	<u><b>215</b></u>	<u>144</u>

## 4. Investment income

	<b>2013 £'000</b>	2012 £'000
Bank interest receivable	<u><b>11</b></u>	<u>27</u>

**5. Incoming resources from charitable activities:**

	<b>Total 2013 £'000</b>	<b>Total 2012 £'000</b>
Grant funding for specific charitable activities:		
Africa	<b>10,436</b>	7,657
Asia	<b>16,302</b>	8,769
Rest of World	<b>6,940</b>	10,194
Cross cutting activities	<b>3,366</b>	1,657
	<b>37,044</b>	28,277

**6. Resources expended**

	Direct project costs 2013 £'000	Project staff costs 2013 £'000	Allocation of support costs 2013 £'000	<b>Total 2013 £'000</b>	<b>Total 2012 £'000</b>
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	175	-	16	<b>191</b>	266
Fundraising trading cost of goods sold and other costs	80	-	7	<b>87</b>	50
Total costs of generating funds	255	-	23	<b>278</b>	316
<i>Charitable activities</i>					
Changing lives through media and communication					
Africa	5,875	3,419	1,030	<b>10,324</b>	7,727
Asia	12,233	3,593	1,916	<b>17,742</b>	8,738
Rest of World	4,650	1,587	800	<b>7,037</b>	10,152
Cross cutting activities	2,137	736	304	<b>3,177</b>	1,495
Total costs of charitable activities	24,895	9,335	4,050	<b>38,280</b>	28,112
Governance costs	50	114	66	<b>230</b>	251
Total resources expended	25,200	9,449	4,139	<b>38,788</b>	28,679

Governance costs of £230,000 (2012: £251,000) includes audit costs, trustee meeting costs and a proportion of the cost of the Executive Director, the Director of Finance and Business Services and finance staff. Support costs are allocated on an apportionment basis.

The support costs allocated and basis of apportionment were:

<i>Support activity</i>	<i>Basis of apportionment</i>	<b>Total 2013 £'000</b>	<b>Total 2012 £'000</b>
Programme support	Specific allocation and pro-rata by direct project expenditure	<b>1,057</b>	370
General management	Pro-rata by direct project expenditure	<b>1,543</b>	898
Financial management	Pro-rata by direct project expenditure	<b>547</b>	334
Information technology	Pro-rata by direct project expenditure	<b>393</b>	310
Premises and facilities	Pro-rata by direct project expenditure	<b>599</b>	603
		<b>4,139</b>	2,515

As permitted by section 408 of the Companies Act 2006, the individual charity's statement of financial activities has not been included in these financial statements. The gross income of the charity is £34,043,000 (2012: £27,307,000) and the net result is a surplus of £1,189,000 (2012: £804,000).

## 7. Notes to the SOFA

Net income for the year is stated after charging/(crediting):

	2013 £'000	2012 £'000
Audit of financial statements of subsidiaries pursuant to legislation in UK	29	26
Audit of financial statements of subsidiaries pursuant to legislation in India	9	15
	<u>38</u>	<u>41</u>
	2013 £'000	2012 £'000
Depreciation	46	48
Loss/(profit) on disposal of fixed assets	35	(6)
Hire of other assets – operating leases	<u>793</u>	<u>534</u>

## 8. Trustees and employees

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services. Trustees' expenses of £3,764 (2012: £2,662) during the year relates to the reimbursement of travel costs incurred while carrying out their duties for BBC Media Action. Expenses were paid to four trustees (2012: two). Trustees are provided with indemnity insurance as part of the BBC Group's Directors' and Officers' policy. There is no direct charge to BBC Media Action.

All UK staff employed on a continuing basis by BBC Media Action have employment contracts with the BBC. Staff costs referred to in note 9 are either incurred in the form of payments to the BBC for these staff members or internationally by project based payrolls.

## 9. Staff costs

	2013 £'000	2012 £'000
<b>Costs of staff are split out by:</b>		
Wages and salaries	10,788	7,796
National insurance	569	405
Pension costs	529	500
Other staff costs	34	32
	<u>11,920</u>	<u>8,733</u>

Employees with emoluments of £60,000 and over fell into the following bands:

	2013	2012
£60,000 - £69,999	8	4
£70,000 - £79,999	4	3
£80,000 - £89,999	-	3
£90,000 - £99,999	2	1
£120,000 - £129,999	1	1

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefits schemes is 12 (2012:10). The employee with emoluments in the band £120,000-£129,999 has specialist knowledge and is working on a specific project on a fixed term contract.

The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2013	2012
Programme activities (charitable):		
Asia	233	156
Africa	282	195
Rest of World	51	145
Cross cutting activities	3	3
Governance	2	1
	<u>571</u>	<u>500</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 161 (2012: 115). The number of staff, including part time staff, employed locally on overseas contracts was 410 (2012: 385) at a cost of £4,362,000 (2012: £3,257,303).

Total staff costs of £11,920,000 (2012: £8,732,806) are split in Note 6 between staff costs directly attributable to activities and staff costs included within support costs and allocated to activities and governance.

## 10. Tangible Fixed Assets

### Group

	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation			
At 1 April 2012	99	122	221
Disposals	-	(70)	(70)
At 31 March 2013	99	52	151
Depreciation			
At 1 April 2012	15	64	79
Charge for the year	33	13	46
Disposals	-	(35)	(35)
At 31 March 2013	48	42	90
Net book value			
At 1 April 2012	84	58	142
At 31 March 2013	51	10	61

### Charity

	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation			
At 1 April 2012	99	122	221
Disposals	-	(70)	(70)
At 31 March 2013	99	52	151
Depreciation			
At 1 April 2012	15	64	79
Charge for the year	33	13	46
Disposals	-	(35)	(35)
At 31 March 2013	48	42	90
Net book value			
At 1 April 2012	84	58	142
At 31 March 2013	51	10	61

## 11. Fixed asset investment

	<b>Charity 2013 £'000</b>	<b>Charity 2012 £'000</b>
Investment in BBC Media Action (India) Limited		
Cost	<b>55</b>	55
Less: Cumulative impairment	<b>(35)</b>	(35)
	<b>20</b>	20

BBC Media Action (India) Limited is 100% owned by the BBC Media Action. The BBC Marshall Plan of the Mind Inform is 100% owned by BBC Media Action (India) Limited and did not trade in the year. The carrying value of BBC Marshall Plan of the Mind Inform in the accounts of BBC Media Action (India) Limited is £nil (2012: £nil).

Until 12 September 2013 BBC Media Action (India) Limited was called BBC WST Limited.

The statement of financial activities of BBC Media Action (India) Limited may be summarised as follows:

	<b>2013 £'000</b>	<b>2012 £'000</b>
Total incoming resources	<b>5,934</b>	1,762
Total resources expended	<b>(5,934)</b>	(1,762)
Net incoming resources	-	-
Total funds brought forward	<b>21</b>	21
Total funds carried forward	<b>21</b>	21

The balance sheet of BBC Media Action (India) Limited may be summarised as follows:

	<b>2012 £'000</b>	<b>2012 £'000</b>
Fixed and current assets	<b>2,742</b>	1,936
Liabilities	<b>(2,721)</b>	(1,915)
Net assets / funds	<b>21</b>	21



BBC Media Action has no investment in BBC World Service Trust India, however in accordance with s390 of SORP 2005 is regarded as a subsidiary undertaking and has been consolidated in the consolidated financial statements. The statement of financial activities of BBC World Service Trust India can be summarised as follows:

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Total incoming resources	-	454
Total resources expended	-	(454)
Net income resources	-	-

The balance sheet of BBC World Service Trust India can be summarised follows:

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Fixed and current assets	9	45
Liabilities	(9)	(45)
Net assets/funds	-	-

## 12. Debtors

	<b>Group</b> <b>2013</b> <b>£'000</b>	<b>Group</b> <b>2012</b> <b>£'000</b>	<b>Charity</b> <b>2013</b> <b>£'000</b>	<b>Charity</b> <b>2012</b> <b>£'000</b>
Trade debtors	2,748	1,835	2,748	1,835
Amounts due from related undertakings	-	1	-	1
Other debtors	763	504	475	404
Prepayments	852	452	852	452
Accrued income (see note 16)	6,031	4,217	6,028	3,944
	<b>10,394</b>	<b>7,009</b>	<b>10,103</b>	<b>6,636</b>

All debtors fall due within one year.

### 13. Cash at bank and in hand

	<b>Group</b> <b>2013</b> <b>£'000</b>	<b>Group</b> <b>2012</b> <b>£'000</b>	<b>Charity</b> <b>2013</b> <b>£'000</b>	<b>Charity</b> <b>2012</b> <b>£'000</b>
Cash held at bank in UK	<b>4,036</b>	4,757	<b>4,036</b>	4,757
Cash held at bank and in hand overseas	<b>1,214</b>	655	<b>1,155</b>	558
	<b>5,250</b>	5,412	<b>5,191</b>	5,315

### 14. Creditors: amounts falling due within one year

	<b>Group</b> <b>2013</b> <b>£'000</b>	<b>Group</b> <b>2012</b> <b>£'000</b>	<b>Charity</b> <b>2013</b> <b>£'000</b>	<b>Charity</b> <b>2012</b> <b>£'000</b>
Trade creditors	<b>692</b>	998	<b>692</b>	998
Amounts due to subsidiary and related undertakings	<b>5,472</b>	1,712	<b>7,864</b>	3,222
Other creditors	<b>445</b>	244	<b>161</b>	228
Accruals	<b>1,038</b>	1,037	<b>933</b>	954
Deferred income (see note 16)	<b>3,374</b>	4,827	<b>1,041</b>	2,966
	<b>11,021</b>	8,818	<b>10,691</b>	8,368

### 15. Provisions for liabilities

#### Charity and group

	<b>Overseas</b> <b>Employment</b> <b>Tax</b> <b>£'000</b>	<b>Project</b> <b>Costs</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
At beginning of year	208	319	<b>527</b>
Utilised during the year	(22)	(171)	<b>(193)</b>
Charge to SOFA for the year	62	84	<b>146</b>
Amounts released unused	(101)	(102)	<b>(203)</b>
At 31 March 2013	<b>147</b>	<b>130</b>	<b>277</b>

The provision for overseas employment tax relates to employer and employee tax obligations in countries where BBC Media Action is operating or has operated in the past. It is expected that BBC Media Action will settle these employment tax obligations within the next five years.

The provision for project costs relates to costs that are not expected to be recovered from the donor and are therefore an obligation at 31 March 2013. It is expected that the majority of these obligations will be paid during the year ending 31 March 2014.

## 16. Accrued and Deferred income

The most significant projects for which income was deferred and accrued are detailed below. In the year to 31 March 2013 the Group had 81 (2012: 67) active projects:

	Total Deferred Income	Total Accrued Income	Amount received and other movements	Released through the SOFA	Total Deferred Income	Total Accrued Income
	2012 £'000	2012 £'000	2012 £'000	2012 £'000	2013 £'000	2013 £'000
* BMB English In Action Bangladesh	-	349	(1,632)	1,540	-	257
* DFID Global Grant	(109)	-	(17,003)	18,811	-	1,699
* DFID Global Transparency Fund	(231)	-	206	25	-	-
* DFID Infoasaid	(575)	-	-	575	-	-
Belgian Embassy - Afghanistan	-	-	(11)	2	(9)	-
Dutch Embassy - Afghanistan	-	-	(23)	27	-	4
Dutch Embassy Kabul - Afghanistan	-	-	(358)	209	(149)	-
EC Angola Elections	-	-	(184)	240	-	56
EC Sierra Leone Cocoa Project	(198)	-	(6)	258	-	54
EC Somalia NSA Strengthening Radio Stations	-	155	(208)	46	(7)	-
ECHO enhanced response capacity	-	-	(328)	-	(328)	-
ENPI Training	-	3	(132)	649	-	520
EU Angola Historia - Drama for Dialogue	-	124	(249)	189	-	64
EU Azerbaijan Journalism Teaching	-	-	(105)	23	(82)	-
EU Serbia - EU Integration	-	421	(447)	348	-	322
EU Serbia Digital Switchover	-	857	(702)	541	-	696
EU Zambia MAKE	(112)	-	(136)	256	-	8
+ FCO Arabic Question Time (Egypt)	-	355	(355)	3	-	3
+ FCO Charles Taylor extension	(4)	-	(3)	5	(2)	-
+ FCO ERTU	-	149	(149)	-	-	-
+ FCO Libya TV Stations and Programming	-	-	(280)	370	-	90
+ FCO Media Platforms	-	-	3	2	-	5
+ FCO Radio Algeria's Transition	-	-	(299)	300	-	1
+ FCO Saat Hissab Media Debates	-	-	(235)	912	-	677
+ FCO Tunisia Public Service Broadcasting	-	-	(207)	487	-	280
Gates Foundation MCH Bihar	(1,830)	-	(3,636)	3,766	(1,700)	-
Global Fund Cambodia GF9 Malaria	(26)	-	(221)	206	(41)	-
Harakat - Afghanistan	-	-	(3)	1	(2)	-
ICRC - Afghanistan	-	-	(18)	18	-	-
IREX - MultiMedia - Belarus	-	44	(85)	40	(1)	-
MISFA - Afghanistan	-	-	(26)	26	-	-
NED - Afghanistan	-	-	8	3	-	11
Pathways - Afghanistan	-	-	(12)	-	(12)	-
PHFI-NACO Support	(12)	-	(570)	412	(173)	3
SDC - Afghanistan	-	-	(2)	3	-	1
* SFH Nigeria ENR to HIV/AIDS	-	97	(676)	520	(59)	-
SIDA Media & Comms	(87)	-	(2)	71	(18)	-
Swedish Embassy - Afghanistan	-	-	(243)	243	-	-
UNDP Cambodia Multimedia	-	1	(605)	652	-	48
UNICEF Somalia Health	(12)	-	(137)	465	-	316
US Dept of State Afghan Media Pool	-	175	(701)	526	-	-
US Dept of State Iraq	-	69	(1,458)	1,367	(22)	-
USAID Burma Horizon	(21)	-	10	204	-	193
USAID Expanded Social Marketing	-	-	(506)	646	-	140
USAID Governing Justly and Democratically	-	227	(540)	607	-	294
USIP - Afghanistan	-	-	(90)	64	(26)	-
Other Projects	(1,610)	1,191	(1,421)	1,386	(743)	289
<b>TOTAL</b>	<b>(4,827)</b>	<b>4,217</b>	<b>(33,777)</b>	<b>37,044</b>	<b>(3,374)</b>	<b>6,031</b>

\* These projects were wholly funded by the Department for International Development (DFID).

+ These projects were wholly funded by the Foreign and Commonwealth Office (FCO).

## 17. Funds Analysis

	Balance at 1 April 2012 £'000	Incoming resources £'000	Outgoing resources £'000	Balance at 31 March 2013 £'000
Unrestricted funds:				
Designated funds:				
Afghan Education Project fund	325	-	(325)	0
Technology led change fund	223	-	(8)	215
Catalyst fund	45	35	-	80
Tangible fixed assets fund	142	-	(81)	61
Total designated funds	735	35	(414)	356
General funds	2,483	4,326	(2,758)	4,051
Total Unrestricted funds	3,218	4,361	(3,172)	4,407
Total Restricted funds	-	35,616	(35,616)	-
<b>Total Funds</b>	<b>3,218</b>	<b>39,977</b>	<b>(38,788)</b>	<b>4,407</b>

The Board of Trustees Report explains why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis.

In 2008/09 the Board of Trustees designated £150,000 in an Afghan Education Projects fund recognising that at the time of the Afghan Education Project becoming an independent NGO, there would need to be an initial working capital balance. During 2010/11 the trustees transferred an additional £175,000 from the Partnership fund to the Afghan Education Project fund.

On 2 April 2012 an agreement took place between BBC Media Action and Afghan Education Production Organization (AEPO), established in Afghanistan as a registered national NGO on 17 February 2011, for the transfer of business and assets of the BBC Media Action's Afghan Education Projects team in Afghanistan. The consideration of the transfer of assets was £1 (one pound sterling). AEPO accepted the burden of the contracts transferred by BBC Media Action as consideration for the contracts. As part of the agreement payments totalling £325,000 were paid by BBC Media Action to AEPO. The payment was drawn from the Afghan Education Project Fund.

In 2009/10 The Board of Trustees designated £300,000 in the Technology led change fund as it recognised that with the growth of the charity that it is important to invest resources in organisational change which will include the development and enhancement of internal processes and systems. In the current year there has been £8,000 expenditure relating to this fund.

The Board of Trustees have set up a new designated fund named the Catalyst Fund. The Catalyst Fund will be used to develop and pilot new projects and approaches and provide matched funding for large scale grants. It is expected that new funds will be raised each year for the Catalyst Fund which will then normally be used within one year. During 2012/13 £35,000 has been raised for the Catalyst Fund.

The Tangible fixed asset fund at 31 March 2013 represents the net book value of BBC Media Action's tangible fixed assets.

At 31 March 2013 undesignated general funds of £4,051,000 were held (2012: £2,483,000).

The funds balances held at 31 March 2012 and 31 March 2013 are the same for the Group and the charity and therefore the movement for the charity has not been disclosed separately. The charity's income and expenditure is detailed in note 6.

## 18. Analysis of group and charity net assets between funds

	Tangible fixed assets £'000	Net current assets £'000	Provisions for liabilities £'000	Total funds £'000
Restricted funds	-	130	(130)	-
Unrestricted designated funds	61	295	-	356
Unrestricted general funds	-	4,198	(147)	4,051
<b>Total Funds at 31 March 2013</b>	<b>61</b>	<b>4,623</b>	<b>(277)</b>	<b>4,407</b>

## 19. Subsidiary undertakings

BBC Media Action has two 100% owned subsidiary undertakings: BBC Media Action (India) Limited and BBC Marshall Plan of the Mind Inform, which were acquired on 1 October 1999.

BBC Marshall Plan of the Mind Inform is incorporated in Russia. It did not trade during the current or prior years.

The investment in BBC Media Action (India) Limited is held directly. The investment in BBC Marshall Plan of the Mind Inform is held by BBC Media Action (India) Limited.

BBC Media Action has no investment in BBC World Service Trust India, however in accordance with s390 of SORP 2005 is regarded as a subsidiary undertaking and has been consolidated in the consolidated financial statements.

## 20. Reconciliation of movement in funds to net cash outflow from operating activities

	2013 £'000	2012 £'000
Net income for the year	1,189	804
Depreciation	46	48
Investment income	(11)	(27)
Loss/(Profit) on sale of tangible fixed asset	35	(6)
Increase in debtors	(3,385)	(2,144)
Increase/(decrease) in creditors	2,203	(3,119)
(Decrease)/increase in provisions	(250)	179
<b>Cash outflow from operating activities</b>	<b>(173)</b>	<b>(4,265)</b>

## 21. Commitments

### a) Capital

There were no capital commitments at the end of the current or prior financial years.

### b) Financial

Media Action had committed the following amount in sub-grants to partners working on international projects which will form part of the grants allocated in future years:

	<b>Group 2013 £'000</b>	<b>Group 2012 £'000</b>	<b>Charity 2013 £'000</b>	<b>Charity 2012 £'000</b>
Within one year	<b>1,198</b>	1,986	<b>854</b>	1,015
In the second to fifth years inclusive	<b>633</b>	1,535	-	895
	<b>1,831</b>	3,521	<b>854</b>	1,910

### c) Operating Leases

These were the annual commitments under non-cancellable operating leases:

	<b>Group 2013 £'000</b>	<b>Group 2012 £'000</b>	<b>Charity 2013 £'000</b>	<b>Charity 2012 £'000</b>
Land and buildings				
Operating leases which expire:				
Within one year	<b>402</b>	230	<b>367</b>	205
In the second to fifth years inclusive	<b>90</b>	271	<b>78</b>	254
	<b>492</b>	501	<b>445</b>	459

At 31 March 2013, total amounts payable in the future on non-cancellable operating leases were £620,655 relating to land and buildings (2012: £892,154).

On 17 July 2013 the Board of Trustees of BBC Media Action agreed to provide financial support to its subsidiary, BBC Media Action (India) Limited, if the need should arise in order for BBC Media Action (India) Limited to continue as a going concern.

BBC Media Action is involved in various tax claims arising in the normal course of business. Management does not expect this to have a material adverse effect on BBC Media Action's financial position, changes in net assets or cashflow.

## 22. Pension costs

Many BBC Media Action employees are members of the BBC's pension schemes, the BBC Pension Scheme (a defined benefit scheme) and defined contribution schemes (LifePlan and the Group Personal Pension Scheme).

### BBC Pension Scheme

The BBC Pension Scheme provides pension benefits on a defined benefit basis from assets held in separate, trustee-administered, funds.

The scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of employer's contributions. These, together with the specified contributions payable by employees and proceeds from the scheme's assets, are expected to be sufficient to fund the benefits payable under the scheme. The most recent full actuarial valuation of the scheme was prepared as at 1 April 2010 by Towers Watson, consulting actuaries. At 1 April 2010, the actuarial value of the assets was sufficient to cover 87.9% of the benefits due to members, after allowing for expected future increases in earnings.

As a result of the 2010 actuarial valuation by Towers Watson, it was agreed between the BBC and the pension scheme trustees that additional contributions totalling £905m will be paid by the BBC over an 11 year period that commenced in 2011.

The contributions to the scheme are paid via a salary sacrifice arrangement. These have been treated as employer contributions.

The next formal actuarial valuation is expected to be performed as at 1 April 2013.

Contribution rates	Projected	Actual			
	2013-14 %	2012-13 %	2011-12 %	2010-11 %	2009-10 %
Employer*	14.5	14.5	14.5/15.5	18.15	18.9
Employee (Old and New Benefits)	7.5	7.5	7.5	7.5	6.75
Employee (Career Average Benefits 2006)	4.0	4.0	4.0	4.0	4.0
Employee (Career Average Benefits 2011)	6.0	6.0	6.0	0.0	0.0

\* Excludes the cost effectively paid for by the employee and the salary sacrifice element and includes an allowance for BBC AVC matching contributions of 0.1% (2012: 0.1%).

BBC Media Action, following the provisions within FRS 17, accounts for the 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 cost for this scheme therefore represents contributions payable by BBC Media Action to the scheme and the costs amounted to £426,923 in the year (2012: £468,307). At 31 March 2013, no contributions had been prepaid (2012: nil).

The actuarial valuation was updated for FRS 17 purposes to 31 March 2013 by Towers Watson, consulting actuaries. This valuation identified a deficit of £1,710.0 million in the scheme at 31 March 2013 (2012: £1,172.0 million). Additional disclosure about the scheme and its financial position under IAS 19, which as a result of options taken by the BBC Group is equivalent to FRS 17, is provided in the BBC Annual Report and Accounts that can be obtained from [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).



## **22. Pension costs (Continued)**

### **Group LifePlan and other schemes**

The BBC also operates its own defined contribution pension schemes, including those operated in the USA and Australia. The pension cost represents contributions payable by BBC Media Action to the funds and this amounted to £102,328 in the year (2012: £31,709).

## **23. Related party transactions**

During the year, BBC Media Action procured some legal, HR and IT support services of £446,034 (2012: £307,375) from the BBC and BBC World Service on an arm's length basis.

Donations received from the BBC World Service, BBC Group, BBC World News and BBC Worldwide are detailed in note 2. Funds received from BBC Worldwide in exchange for services provided are detailed in note 3.

At 31 March 2013, an amount of £5,472,000 (2012: £1,711,773) was owing to the BBC Group. This amount owing is non-interest bearing and repayable on demand. At 31 March 2013 BBC Worldwide owed BBC Media Action £nil (2012: £1,400).

BBC Media Action USA, Inc (formerly known as BBC WST, Inc) is a non-profit organisation that was incorporated on 18 May 2010 in the State of Delaware, USA. This organisation has a common director/trustee: Susan Robinson King. At 31 March 2013 an amount of £3,295 (2012: £3,153) was owed by BBC Media Action USA, Inc. This amount is non-interest bearing and repayable on demand.