

**B B C**

**MEDIA ACTION**

TRANSFORMING LIVES THROUGH MEDIA  
AROUND THE WORLD

**Annual Report 2013/14**

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## OVERVIEW

BBC Media Action, the BBC's international development charity, uses the power of media and communication to support people to shape their own lives. Working in partnership with broadcasters, governments, non-governmental organisations and donors, we provide information, strengthen the capacity of the media and other actors, and stimulate positive change. Partners include BBC World Service, especially its language services, as well as many national and local television and radio broadcasters.

In 2013/14 BBC Media Action's projects reached at least 200 million people in 28 countries in the fields of governance, health, resilience and humanitarian response. The bulk of our work is delivered through broadcast programmes and formats including debate shows, dramas, radio and TV magazine shows. We also use public service announcements, village-level or national mobile phone initiatives and street theatre as well as face-to-face dialogue. Alongside our partners (who include non-governmental organisations, ministries and academic organisations), we help to strengthen the capacity of journalists and broadcasters. This includes supporting state broadcasters in their transition to public service broadcasting.

Research and policy outreach is an important strand of our work, and this year we produced and shared briefings on how mobile technology can support health interventions, the media in Pakistan and the media in fragile states. We also publish research reports, briefings and summaries that explore and analyse the effectiveness of communication for development interventions.

Our largest donor is the UK's Department for International Development (DFID), which supports us through a five-year Global Grant, the aim of which is to produce media and communication outputs that contribute to better governance, healthier populations and an increased ability to cope with crises. This year our programmes funded by the Global Grant reached nearly 130 million people (109.4 million in governance and an estimated 18.4 million in health). DFID assessed the research and evidence work as "world class" and awarded a rare A++ rating for our Global Grant programmes overall.

Other significant donors include the Bill & Melinda Gates Foundation and several UN agencies including the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA) and UNICEF. We also receive funding from other governments, the European Commission, and a number of local partners. The 11 companies in our corporate leaders group contribute valuable cash and in-kind support, and we also use donations from individuals to support innovative new work. The Corporate Leaders Group is a membership scheme aimed at leading corporates, many of whom already have well-developed programmes of corporate social responsibility.



## Strategic Report and Board of Trustees' Report

The Trustees are pleased to present their annual report and audited consolidated financial statements of BBC Media Action and its trading subsidiary for the year ended 31 March 2014. The Trustee's report also contains the information required in a strategic report.

## 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:**

1. We use various forms of media and communication to tackle poverty and contribute to positive long-term individual and societal change. We help people make sense of events, engage in dialogue, and take action to improve their lives through access to timely, reliable information. Our aim is to inform, connect and empower people around the world. All outputs are designed with specific audiences (or beneficiaries) in mind, based on research into development needs and analysis of the opportunities and constraints of each media landscape. We use radio, television, mobile phones, social media and face-to-face interactions delivered in formats that include drama, debate, current affairs phone-in shows, public service announcements and blogs. Our work aims to benefit audiences in some of the world's poorest countries and is currently undertaken in 28 countries in Africa, Asia, the Middle East and Europe. We have established that we will achieve greatest impact and public benefit by focusing on three thematic areas: governance, health, resilience and humanitarian response.
  - In **governance** we aim to provide access to information and create platforms to enable people to take part in community life, and to hold those in power to account.



- In **health** we provide information and explore social and cultural norms that affect good health in some of the poorest places in the world. Our programmes aim to build people's confidence to take action in the interests of their own health and the health of their families.
  - In **resilience and humanitarian response** we aim to increase people's ability to secure food and water, improve their economic security and opportunities, reduce their risk to disaster, and increase their resilience to respond positively to life's most serious challenges.
  - Across all our work we aim to be inclusive and champion issues of gender and diversity both as an employer and integrated into our projects and broadcast outputs. In our partnerships and programmes we contribute to strengthening "enabling environments" where inequalities (such as those based on gender, sexuality, disability, religion or ethnicity) can be addressed and where marginalised people's participation in economic, social and political life is enhanced. Across all themes our work is designed to encourage communication across political, ethnic, religious and other divides.
2. Partnership is key to our way of working and we extend the reach of our programmes by working closely with the language services of BBC World Service and other broadcasters. We also work with development actors in the UK and internationally as well as academic institutions to explore the role of media from a policy perspective. We support others to make programmes and build their skills as journalists and/or communicators and do so in partnership with local and national broadcasters, local or national governments, international and community-based non-governmental organisations and other project partners. This way we can strive to ensure that development efforts are linked up on the ground to bring lasting change.

Our expertise lies in listening and responding to our audiences: our audience includes the journalists and others we train, as well as listeners and viewers. All these strong relationships help enhance the reach and impact of our work.

We believe that change happens at four levels:

- **People:** all those who need and inform our work including our audiences and beneficiaries
- **Practitioners:** fellow media professionals, frontline health workers
- **Organisations:** commercial, community and public service media organisations, as well as state institutions, civil society organisations and other not-for-profit organisations
- **Systems:** the political, social and economic institutions and relationships within society that influence how change happens and provide the context for our work; this includes the media, communications and regulatory environment.

BBC Media Action works at all of these levels (though not in each project), tailoring our interventions and methodologies for each.

3. Audiences are at the heart of everything we do: this key BBC value is also vital for creating effective communication for development. To reach people who most need our programmes, we have to know who they are – how they live, what they believe, what they think of as their problems and their strengths. Research findings inform our work, bridging theory and practice to provide an evidence base both for our own programmes and for anyone working in media and development worldwide. We produce and disseminate policy and research publications, and participate in conferences and events, to contribute to the debate and evidence base around media and communication for development.

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 free of charge. Occasionally, we charge for a service to ensure it can be sustained beyond the life of a particular 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.

### **Review of 2013/14 Objectives**

This year we continued to follow our operational plan, What We Will Do And How We Will Work – 2012-2015, with a focus on our three themes: governance and rights, health, and resilience and humanitarian response, aiming to deliver the following four objectives:

### **Impact**

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

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

In the financial year 2013/14, we worked on 77 projects on multiple platforms (TV, radio, online, mobile phones, social media, and face-to-face dialogue and training) in partnership with local broadcasters and BBC channels and services. In year two of the Global Grant from the UK Department for International Development (November 2012–October 2013), we reached nearly 130 million people and at least another 70 million more people through the rest of our work. Here are some examples of what our projects achieved.



## Governance

- In a crucial election year in Afghanistan, our TV and radio debate and discussion programme *Open Jirga* (Open Assembly) produced a series of audience-led shows dedicated to the elections. Our production team brought people from all 34 provinces of Afghanistan face-to-face with politicians, election commissioners and presidential candidates to debate the issues, including security, fraud, and women's rights. *Open Jirga* reached over 10 million people during the year.

*BBC Bangladesh Sanglap* (Dialogue), another television debate programme, dedicated an episode to the collapse of the Rana Plaza factory in Dhaka just three days after the disaster. Panellists included an adviser to the prime minister, an opposition leader and the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Studio audience members were able to question the panel and ask for better enforcement of construction standards. As one audience member asked: "Who will take responsibility – the government, the BGMEA or the building's owner?" *Sanglap* has reached 33.5 million people in Bangladesh, with a regular reach of 14.1 million. Our research has shown that 94% of people surveyed who watch our governance programmes agree that they play a role in holding government to account.

- Radio *Al Mirbad*, the radio station supported by BBC Media Action in southern Iraq, rapidly expanded its online presence this year, with its Facebook page gaining at least 200,000 "likes". This is an extraordinary level of online engagement in a region where internet use is growing but still attracts less than 10% of the population. *Al Mirbad* provides an excellent example of how digital platforms and radio broadcasting can complement one other. Our Iraq team also launched Consolidating Media Freedoms, a strategic programme to improve Iraq's media in partnership with parliament, the government, broadcasters and civil society organisations.
- In Zambia, ZNBC (the national television broadcaster) produced and broadcast a prime time programme on press freedom with our support. This was a controversial topic, especially in view of ZNBC's reputation for state bias, and generated lively, open and honest debate in which the government, the previous government and ZNBC were criticised for censorship. Feedback on Facebook, Twitter and from the media and civil society organisations was positive. Our governance programmes overall in Zambia reached 1.3 million people, with 300,000 regularly reached.

## Health

- *Dhibcaha Nolosha* (Drops for Life), our UNICEF-funded 15-minute weekly radio magazine programme, was launched in Somalia. Broadcast on the BBC Somali Service, it was created in response to the country's first polio outbreak in six years. The show addresses the extremely low levels of polio vaccination in Somalia that could, the UN warned, lead to an epidemic across the whole region. One mother said she had learned a lot from the pilot episode, "Before I thought polio was a traditional illness," she said. "I didn't know that it's such a dangerous disease and that it's something that can be prevented by a vaccine."



- We launched two radio programmes in October to support mother and child health in Ethiopia. Our partner stations reported that *Jember* (Maternal Light in Amharic) and *Biiftuu Jireenya* (Dawn of Life in Afan Oromo) were their most listened to programmes in October. "We talk to the mothers and fathers, grandmothers and mothers-in-law. We try to connect to the real life of the rural people," says *Biiftuu Jireenya* producer Nazif Jemal.
- India saw the launch of a radio health programme, *Khirki Mehendiwali* (Mehendi Opens A Window) in Madhya Pradesh on nine All India Radio stations and 11 community radio stations. The show, presented by a fictional young woman named Mehendi, aims to help improve the health of women and children in the state. One listener, a widow named Manisha Mehra, said: "When I heard the first episode, I knew I had to hear it all because I need to pass this knowledge on to my teenage daughter." Overall in India, 83.7% of people in key target populations who were reached by our health interventions reported that their knowledge of priority health issues had increased as a result of the intervention.

#### Resilience and humanitarian response

- In December 2013 we launched a series of public service announcements for Syrian refugees in Lebanon and Jordan. The films addressed a shortfall in reliable information for refugees and covered subjects such as educating children in refugee camps, how UN agencies work, and making water safe to drink. They were shown on video screens and loudspeakers at UNHCR registration centres and on board buses transporting refugees as well as at community centres, clinics and town hall meetings. The films and announcements reached 175,000 people monthly.
- We responded to several tropical storms and cyclones in Asia this year through our Lifeline humanitarian response programming. Within 72 hours of Cyclone Phailin devastating large parts of eastern India, we worked with local stations and produced advertisements that gave information on safe drinking water, the importance of hand washing and the dangers of flood waters. Evaluation findings showed that 80% of people interviewed were acting on the information they heard, or getting others in their community to act. One man commented: "We heard announcements on loudspeakers. They were talking about the various relief materials that will be distributed and about the medicines that will be supplied and all."

Later we worked with two community radio stations to broadcast 15 episodes of *Ghure Daray* (Get Back On Your Feet) giving those affected by Mahasen (more than a million people) information to help rebuild their lives. Findings from our qualitative evaluation provided insights on impact: "I learned from *Ghure Darai* how we can get proper nutrition from simple food. I told it to some people and they followed it." BBC Media Action staff helped volunteers in the radio stations to develop formats that will be useful in the future. Mahasen affected northwest Burma as well, where we supported BBC Burmese Service to deliver early warning messages on shortwave radio.

## Income

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

We increased our overall income during the year and diversified our support from institutional funders. Securing more flexible funding remained a major challenge.

Our Global Grant from DFID was again our most significant funding.

### How we did it:

- We raised £40.4m in income, which is £0.4m more than last year. Gift in kind donations represents £3.7m of this figure.
- The Bill & Melinda Gates Foundation now supports work in Nigeria in addition to longstanding support in India and we have discussed multi-country work for future years.
- The 11 members of our corporate leadership group contributed nearly £1 million (£57,000 in cash and £894,000 in the form of goods and services – See Note 2 to the Financial Statements).
- This year the Catalyst Fund, our fundraising group for individual donors, received new pledges of £112,500 and income of £71,000, an increase of £36,000 from the previous year.
- The Correspondents' Dinner, our annual fundraising event, raised over £53,000, a significant increase over the previous year. It also generated interest among individuals who may increase their support in the future through our Catalyst Fund.
- A substantial amount of free airtime was received from partner stations.

## Innovation

**Aim:** *To learn from our innovative projects (and from others in the sector and beyond), that introduce new technology, formats, approaches and partnerships, and apply that learning where appropriate across our work. To be innovative in the delivery of our work, especially the use of digital media.*

### How we did it:

- We shared experiences and learning from teams across the organisation. For example, Ignite Asia, a creative workshop in Delhi, brought together Media Action staff for three days of brainstorming, learning and sharing and concluded with a conference for communication, media and development experts.



- Experts from our social media team in Bangladesh travelled twice to our Nigeria office where they trained and supported over 40 production, management, research and IT staff. They focused on using social media and mobile technology to reach more people and increase the impact of their work. Eze Ogali, head of production in Nigeria noted that, "From the production point of view, having the Bangladesh team visit the office was incredibly helpful. For a start, they introduced us to Frontline SMS, software which has made it easier and faster for us to respond and engage with our audiences."
- Climate Asia, the largest ever research project on people's experience of climate change in seven Asian countries, was launched this year. It featured a new website including an interactive data portal, [www.bbc.co.uk/climateasia](http://www.bbc.co.uk/climateasia), which allows users to explore data from surveys of over 33,500 people and create a climate change communication plan. Outputs also included detailed reports from the seven featured countries, a climate change communication toolkit and research materials that support other organisations to do their own research. Saleemul Huq, director of the International Centre for Climate Change and Development and a senior member of the Intergovernmental Panel on Climate Change said, "Bangladesh is one of the countries most affected by climate change in the world, so it is fascinating to see the broad and complex range of challenges that this study captures... The data will help us greatly in our work supporting adaptation around the country."
- Working with our long-term media partners in the Western Balkans B92 and Tuna Fish Studios, we launched a peer-produced social media drama *Samo Kazem* (Just Saying). The programme is designed to increase political and civic participation, and build mutual understanding, among 15–18 year olds in Bosnia, Serbia, Kosova, Macedonia and Montenegro. In the words of the programme director Maja Cecan, it "gives voice to young people, without telling them what to say." In the first four days of going live, the trailer alone reached 100,000 people with 14,000 views on YouTube.
- In Nepal, audience numbers for our debate and discussion programme *Sajha Sawal* (Common Questions) continue to rise, especially online as internet access opens up, with two agriculture specials attracting more than 30,000 YouTube hits per episode.
- In Tanzania, an episode of our *Haba Na Haba* (Little by Little) talk show on conflicts between farmers and pastoralists that was aired via the BBC Swahili service generated significant social media activity. Facebook comments came from across Tanzania, suggesting that this topic felt relevant to Tanzanians in many regions. Later the pilot episode of the *Haba Na Haba* television programme was broadcast, marking our first output on this medium in Tanzania.
- A grant of \$6 million (£3.7m) from the Bill & Melinda Gates Foundation has funded a three-year scoping study in Nigeria to design a health project that will harness the power of mobile phones in the most effective way to tackle pneumonia and diarrhoea in children.



## Integration

**Aim:** *To build partnerships with BBC World Service language services and other parts of Global News (now known as World Service Group) 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 and more widely to encourage collaboration.*

### How we did it:

- Peter Horrocks, BBC Media Action chair and director of BBC World Service Group, signed a Memorandum of Understanding with MRTV in Burma/Myanmar. This cemented a significant relationship that has grown between Media Action, the BBC and MRTV over the past year. Not only is BBC content now available on a partner radio station in the country for the first time in 50 years, but we have been supporting MRTV in its hopes to make the transition from state-run broadcaster to public service broadcasting. The project includes a comprehensive training package on editorial and newsgathering skills.
- We have strengthened our relationship with BBC Outreach, the BBC's corporate responsibility arm, which supports community engagement across the United Kingdom (and internationally through the BBC's other charitable efforts). They will be helping us with our nations and regions tour of BBC offices.
- We have clarified our way of working with BBC World Service in light of their new funding arrangements (from April 2014 they are funded by licence fee). This includes input into the revised BBC Editorial Guidelines and regular meetings between the head of World Service regional hubs and BBC Media Action regional directors.
- Our partnership-focused events and policy profile has grown. This year we published policy briefings on the media of Pakistan and fragile states. The co-author of the Pakistan briefing took part in a panel discussion at Chatham House on the country's media and political landscape, and prospects for peace and economic growth. We ran a conference at Wilton Park for policy-makers and practitioners on the media and fragile states exploring the impact of increased access to media and communication technologies and the complex ways these change the character of fragile situations.
- We have provided financial support and partnered with other organisations in our field to strengthen and support the media and development community worldwide. These include:
  - Global Fund for Media Development (a membership network for 139 non-governmental organisations involved in media assistance).

- The Communications Initiative Network (a website and network supporting communication and media in development).
  - Communicating with Disaster Affected Communities (a network helping agencies work better with communities affected by or prone to crises so that they can better cope with these stresses through active engagement in decisions about the relief and recovery efforts in their countries).
- BBC Media Action staff spoke at and contributed to a very wide range of conferences including:
    - A panel discussion on the future of media in Afghanistan and a presentation on the media of Iraq at the US Institute for Peace.
    - Presentations at the conference of international broadcasters' audience research services.
    - Presentations at the Annenberg School of Communication at the University of Pennsylvania.
    - Highway Africa, the continent's largest journalism conference where, in addition to providing speakers, we funded three young African journalists who could not otherwise have attended.
    - A panel discussion on 10 Years After Saddam: The State of Media in Iraq at The Center for International Media Assistance at the National Endowment for Democracy in Washington, DC
    - A presentation on media and freedom of expression at the European Parliament.
    - Presentation on the place of media in post-2015 Millennium Development Goals framework at The European Development Days.
    - A roundtable discussion on politics and interactive media in Africa at Cambridge University
    - Presentation of the Climate Asia data and data portal at COP 19.
    - The mHealth Summit in Washington, DC.
    - A conference on Transforming Audiences, Transforming Societies, hosted by an EU-funded network of over 250 scholars working in audience research.
    - A Guardian Development Professionals Network live chat on the complex relationship between media, aid and development.
    - A presentation on Fragile states: the role of media and communication at the Center for Media Assistance in Washington, DC.
    - A briefing on the media of Iraq at the New America Foundation.
    - Speaking at a UNESCO-hosted event to mark International Day of Disaster Risk Reduction.
    - Poster presentation at the Global Health Metrics and Evaluation Conference on our Global Grant health research, with an abstract of the poster subsequently published in The Lancet.
    - Hosting a Communicating with Disaster Affected Communities Network seminar on Humanitarian Broadcasting.



- Our projects have won a number of awards this year:
  - The Nominet Trust recognised two of our projects – English in Action/*Janala* in Bangladesh (our English language training project) and Mobile Academy in India as among the 100 most inspiring social innovations in the digital world.
  - *SamoKazem* (Just Saying), a social media drama supported by BBC Media Action in the Western Balkans, won the International Press Academy "Satellite" award for best short-form programme. *SamoKazem* is the first regional production since the collapse of Yugoslavia in the 1990s and is produced by, for and about young people in the Western Balkans.
  - *Loy9* (a slang term of praise in Cambodia) was shortlisted for the prestigious Association for International Broadcasting – International Media Excellence Awards, in the transmedia category), *Loy9* includes a combined TV drama and magazine show, phone-in radio programme, web interaction and live games aimed at increasing young people's participation in public life.
  - The Shaping Demands and Practices project in India won three additional awards during the year:
    - o The mBillionth and Vodafone Mobile for Good for *Mobile Kunji* and Mobile Academy
    - o The mHealth Alliance Collaboration Award to the Ananya partnership (funded by the Bill & Melinda Gates Foundation to reduce child mortality, improve maternal health and reduce infectious diseases in Bihar, of which the SDP project is a part) at the mHealth Summit in Washington, DC
    - o The Laadli Media and Advertising Award for Gender Sensitivity for radio programme *Khirki Mehendiwali*

### Looking ahead: our aims for 2014/15

BBC Media Action has set out its plans in a paper called Forward Plan 2014–2019 approved by the Board of Trustees in April 2014.

For 2014/15, we will:

1. **Aim:** *We will effectively deliver our portfolio of work across Asia, Africa, the Middle East and Europe and increase our influence.*

### 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 all our projects effectively so that they achieve impact against the agreed objectives of each project and are compliant with all donor, government and organisational requirements.
- We will continue to develop the intellectual framework and mechanisms to measure the impact of our work and use the information both to enhance the quality of our outputs and to share these findings with the sector.
- We will prioritise long-term mentoring, support and partnerships.



- 2. Aim:** *We will play a leading role in the sector, making the case for media and communication in development. We will secure funding to support our work and ensure that we provide value for money.*

**How we will do it:**

- We will deliver overall BBC Media Action income and expenditure as budgeted with added emphasis on achieving more for less and value for money.
- We will score an A+ or above for the third year of the Global Grant reflecting growth in evidence and the impact of work delivered.
- 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 secure a sizeable new grant from the UK's Department for International Development to be implemented from 2016.
- We will continue to develop key strategic funding relationships, continuing to develop our relationship with The Bill & Melinda Gates Foundation at programmatic and at policy level. This will include a new multi-country proposal funded by Gates.
- We will secure unrestricted or budget relieving income from Major Donors, corporates and other fundraising initiatives as budgeted.
- We will invest in new systems including a new finance system that will help us to deliver our work more efficiently.

- 3. Aim:** *We will ensure we are creative, flexible and able to apply the best new ideas and technologies to our work. We will learn from our technologically innovative projects (and from others in the sector and beyond), and apply that learning where appropriate across our work.*

**How we will do it:**

- We will continue to make significant progress in our use of mobile technology.
- We will ensure social media is being used appropriately at project and corporate level to extend reach and inclusivity.
- We will continue to improve our systems and support to country teams so that learning from key country programmes is shared effectively, both internally and externally.
- 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.

- 4. Aim:** *We will strengthen existing partnerships across the World Service Group (chiefly BBC World Service language services and World News) and the wider BBC.*

**How we will do it:**

- We will increase BBC staff's recognition of BBC Media Action and increase payroll giving within the BBC by 100% (Currently reported under "individual/other in" note 2 to the Financial Statements).
- We will continue to build partnerships and opportunities for collaboration between BBC Media Action and BBC World Service to foster better ways of working and reduce transaction costs and take full advantage of changed funding regulations for broadcasting.

## FINANCIAL REVIEW

The income and expenditure account for the year ended 31 March 2014 shows a surplus (net incoming resources) of £0.3m (2013: £1.2m). This reflects the continued concerted effort made to attribute costs appropriately to projects. The surplus improves BBC Media Action's reserves.

Total income of £40.4m was £0.4m higher than the previous year (2013: £40.0m). This variance largely relates to Gift in Kind which at £3.7m was £1.2m higher than the previous year (2013: £2.5m). 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. This is a five year grant that covers the period 1 November 2011 to 31 October 2016.

Total expenditure of £40.1m (2013: £38.8m) was higher than the previous year due to increased activity in our Africa region. Expenditure on our charitable activity, providing public benefit by changing lives through media development and development communications, represented 98.5% of total expenditure (2013: 98.7%)

The consolidated cash flow statement shows that cash has slightly increased by £2.1m during the year (2013: decrease of £0.2m). This increase reflects the decrease in debtors of £4.5m, reflecting less project funding being received in arrears than at the prior year end.

## FINANCIAL POLICIES

### Reserves

As a result of the net incoming resources of £0.3m, net assets in the consolidated balance sheet increased to £4.7m at 31 March 2014 (2013: £4.4m).

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 £4.5m to £5.0m (2013: £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 2014 amounted to £4.7m (31 March 2013: £4.4m) of which reserves in the general fund amounted to £4.3m (31 March 2013: £4.1m). The Board of Trustees is pleased that general funds have increased and are close to 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 2013/14 BBC Media Action employed an average of 728 staff, with 144 based in the London office. Of the staff based outside London, 3% are in the Middle East and Europe region, 43% in Africa, and 54% in Asia. This includes 42 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 11 subscribers at the end of the year 2013/14.

### **Subsidiary companies**

BBC Media Action has three subsidiary companies which are 100% owned by BBC Media Action at 31 March 2014: The Marshall Plan of the Mind Inform, BBC Media Action (India) Limited, BBC Media Action Nepal Private 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. BBC Media Action Nepal Private Limited is an entity established in Nepal on 13 May 2013 and is 100% owned by BBC Media Action.

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 22. 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, Editorial, 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 2014 there are BBC Media Action offices in 17 countries (Afghanistan, Bangladesh, Cambodia, Ethiopia, India, Kenya, Libya, Myanmar (Burma), 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 seven staff in the Policy and Advisory team provide thematic support and nine 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.

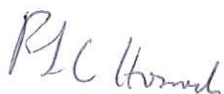
### **Risk Management**

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 in detail on an annual basis and at a summary level on a quarterly basis. 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 5 November 2014 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'P Horrocks', written in a cursive style.

Peter Horrocks, Chair



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

The Trustees are responsible for preparing the Trustees' Annual Report (incorporating the strategic report and the directors' 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.

In so far as the Trustees are aware:

- there is no relevant information of which the charity's auditor is unaware;
- the Trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;

The Trustees, in their capacity both as Trustees and company directors have reviewed and approve the Trustees' report which incorporates the Directors' Report and the requirement in the Strategic Report as set out in the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013.

## **TRUSTEES, SENIOR STAFF AND ADVISORS**

### **Trustees\*\***

Peter Horrocks\* (Chair)

Alison Evans (Vice Chair)

George Alagiah\*

Martin Dinham

David Kogan (from 12 May 2014)

Keith McAdam (from 9 September 2013)

Michael C. McCulloch †

Bhupendra Mistry

Ralph Rivera\*

Susan King

Richard Thomas\*†

Alison Woodhams†

### **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

Chris Baker – Director of Finance and Business Services

### **Auditors**

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

### **Bankers**

Barclays Bank Plc, 1 Churchill Place, London, E15 5HP

### **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 2014 set out on pages 25 to 45. 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 21, 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 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 2014 and of the group's 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, which constitutes the Strategic Report and the Directors' 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.



**John Bennett (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
*15 Canada Square*  
*London E14 5GL*

*11 November 2014*



## FINANCIAL STATEMENTS

### Consolidated Statement of Financial Activities

(including the income and expenditure account) for the year ended 31 March 2014

	Note	Unrestricted funds 2014 £'000	Restricted funds 2014 £'000	Total 2014 £'000	Total 2013 £'000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	218	3,703	<b>3,921</b>	2,707
Activities for generating funds	3	242	-	<b>242</b>	215
Investment income	4	30	-	<b>30</b>	11
<i>Incoming resources from charitable activities:</i>					
Grant funding for specific charitable activities	5	4,131	32,057	<b>36,188</b>	37,044
<b>Total incoming resources</b>		<b>4,621</b>	<b>35,760</b>	<b>40,381</b>	<b>39,977</b>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	6	(179)	(7)	<b>(186)</b>	(191)
Fundraising trading cost of goods sold and other costs	6	(165)	(7)	<b>(172)</b>	(87)
Total costs of generating funds		<b>(344)</b>	<b>(14)</b>	<b>(358)</b>	(278)
<i>Charitable activities</i>					
Changing lives through media and communication:					
Africa	6	(1,197)	(12,154)	<b>(13,351)</b>	(10,324)
Asia	6	(1,500)	(13,931)	<b>(15,431)</b>	(17,742)
Rest of World	6	(775)	(6,199)	<b>(6,974)</b>	(7,037)
Cross cutting activities	6	(338)	(3,380)	<b>(3,718)</b>	(3,177)
Total charitable activities		<b>(3,810)</b>	<b>(35,664)</b>	<b>(39,474)</b>	(38,280)
Governance costs	6	(180)	(82)	<b>(262)</b>	(230)
<b>Total resources expended</b>	6	<b>(4,334)</b>	<b>(35,760)</b>	<b>(40,094)</b>	<b>(38,788)</b>
<b>Net income for the year</b>	7	<b>287</b>	<b>-</b>	<b>287</b>	<b>1,189</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		4,407	-	<b>4,407</b>	3,218
<b>Total funds carried forward</b>	17, 18	<b>4,694</b>	<b>-</b>	<b>4,694</b>	<b>4,407</b>

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 28 to 45 form part of these financial statements.

## Consolidated and BBC Media Action Balance Sheets

at 31 March 2014

	Note	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
<b>Fixed assets</b>					
Tangible assets	10	23	61	23	61
Investments	11	-	-	23	20
		<b>23</b>	<b>61</b>	<b>46</b>	<b>81</b>
<b>Current assets</b>					
Debtors	12	5,877	10,394	5,635	10,103
Cash at bank and in hand	13	7,339	5,250	7,298	5,191
		<b>13,216</b>	<b>15,644</b>	<b>12,933</b>	<b>15,294</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(8,242)	(11,021)	(7,982)	(10,691)
Net current assets		<b>4,974</b>	<b>4,623</b>	<b>4,951</b>	<b>4,603</b>
Total assets less current liabilities		<b>4,997</b>	<b>4,684</b>	<b>4,997</b>	<b>4,684</b>
Provisions for liabilities	15	(303)	(277)	(303)	(277)
<b>Net assets</b>		<b>4,694</b>	<b>4,407</b>	<b>4,694</b>	<b>4,407</b>
<b>Funds</b>					
Unrestricted funds	17, 18	4,694	4,407	4,694	4,407
Restricted funds	17	-	-	-	-
<b>Total Funds</b>	17	<b>4,694</b>	<b>4,407</b>	<b>4,694</b>	<b>4,407</b>

The notes on pages 28 to 45 form part of these financial statements.

The financial statements on pages 25 to 45 were approved by the Board of Trustees on 5 November 2014 and signed on its behalf by:



Peter Horrocks  
Chair



## Consolidated Cash Flow Statement

for the year ended 31 March 2014

	<i>Note</i>	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
Net cash inflow/(outflow) from operating activities	20	<b>2,059</b>	(173)
Returns on investments and servicing of finance			
Interest received		<b>30</b>	11
<b>Increase/(decrease) in cash in the year</b>		<b>2,089</b>	(162)
Cash at the start of the year	13	<b>5,250</b>	5,412
<b>Cash at the end of the year</b>	13	<b>7,339</b>	5,250

The notes on pages 28 to 45 form part of these financial statements.

## **Notes (forming part of the financial statements) for the year ended 31 March 2014**

### **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 2014 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 2014/15 and 2015/16 contracted with donors. Forecasts indicate that payments can be made as they fall due and negative adjustments to the forecast can be managed. 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 2014.

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, the financial statements of BBC Media Action Nepal Private Limited, an entity established in Nepal on 13 May 2013, 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 11 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 2014 £'000	Restricted funds 2014 £'000	Total 2014 £'000	Total 2013 £'000
BBC Group	-	581	581	571
BBC World Service	150	-	150	150
BBC World News*	-	609	609	584
BBC Worldwide*	-	134	134	50
Deloitte*	-	50	50	120
Airtime/Media Space from various providers	-	2,228	2,228	1,127
Individuals / other*	68	101	169	105
	<u>218</u>	<u>3,703</u>	<u>3,921</u>	<u>2,707</u>

\*Restricted Income of £894k earned from Cash and Gift in Kind from the members of our Corporate Leaders Group

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 Service donation represents a cash grant to our unrestricted income funds. 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 Deloitte donation represents the Gift in Kind value of strategic consultancy service provided during the year.

Airtime/Media space represents the gift in kind commercial value of broadcast slots provided by radio and TV broadcasters in Bangladesh, Kenya and Nigeria and newspaper space in Bangladesh. This valuation is based on commercial rates as advertised by the broadcasters.

## 3. Activities for generating funds

Activities for generating funds were derived from the following sources:

	2014 £'000	2013 £'000
BBC Worldwide	100	100
Other	142	115
	<u>242</u>	<u>215</u>

## 4. Investment income

	2014 £'000	2013 £'000
Bank interest receivable	<u>30</u>	<u>11</u>



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

	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
Grant funding for specific charitable activities:		
Africa	<b>11,600</b>	10,436
Asia	<b>14,191</b>	16,302
Rest of World	<b>6,584</b>	6,940
Cross cutting activities	<b>3,813</b>	3,366
	<b>36,188</b>	37,044

**6. Resources expended**

	Direct project costs 2014 £'000	Project staff costs 2014 £'000	Allocation of support costs 2014 £'000	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	165	-	21	<b>186</b>	191
Fundraising trading cost of goods sold and other costs	152	-	20	<b>172</b>	87
Total costs of generating funds	317	-	41	<b>358</b>	278
<i>Charitable activities</i>					
Changing lives through media and communication					
Africa	7,428	4,292	1,631	<b>13,351</b>	10,324
Asia	8,967	4,414	2,050	<b>15,431</b>	17,742
Rest of World	4,199	1,744	1,031	<b>6,974</b>	7,037
Cross cutting activities	869	2,372	477	<b>3,718</b>	3,177
Total costs of charitable activities	21,463	12,822	5,189	<b>39,474</b>	38,280
<i>Governance costs</i>	94	105	63	<b>262</b>	230
Total resources expended	21,874	12,927	5,293	<b>40,094</b>	38,788

Governance costs of £262,000 (2013: £230,000) 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>2014 £'000</b>	<b>2013 £'000</b>
Programme support	Specific allocation and pro-rata by direct project expenditure	<b>1,232</b>	1,057
General management	Pro-rata by direct project expenditure	<b>2,343</b>	1,543
Financial management	Pro-rata by direct project expenditure	<b>577</b>	547
Information technology	Pro-rata by direct project expenditure	<b>492</b>	393
Premises and facilities	Pro-rata by direct project expenditure	<b>649</b>	599
		<b>5,293</b>	4,139

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 £35,345,000 (2013: £34,043,000) and the net result is a surplus of £287,000 (2013: £1,189,000).

## 7. Notes to the SOFA

Net income for the year is stated after charging:

	2014 £'000	2013 £'000
Amounts receivable by the company's auditor and its associates in respect of Audit of these financial statements	32	29
Amounts receivable by the company's auditor and its associates in respect of Audit of the financial statements of subsidiaries	8	9
	<u>40</u>	<u>38</u>
	2014 £'000	2013 £'000
Depreciation	38	46
Loss on disposal of fixed assets	-	35
Hire of other assets – operating leases	<u>1,113</u>	<u>793</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 £3,335 (2013: £3,764) during the year relates to the reimbursement of travel costs incurred while carrying out their duties for BBC Media Action. Expenses were paid to six trustees (2013: four). 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

	2014 £'000	2013 £'000
<b>Costs of staff are split out by:</b>		
Wages and salaries	13,101	10,788
National insurance	649	569
Pension costs	617	529
Other staff costs	52	34
	<u>14,419</u>	<u>11,920</u>

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

	2014	2013
£60,000 - £69,999	8	8
£70,000 - £79,999	5	4
£80,000 - £89,999	-	-
£90,000 - £99,999	2	2
£120,000 - £129,999	-	1

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefits schemes is 12 (2013:12).

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

	2014	2013
<b>Programme activities (charitable):</b>		
Asia	294	233
Africa	386	282
Rest of World	43	51
Cross cutting activities	3	3
Governance	2	2
	<u>728</u>	<u>571</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 186 (2013: 161). The number of staff, including part time staff, employed locally on overseas contracts was 542 (2013: 410) at a cost of £5,579,114 (2013: £4,362,000)

Total staff costs of £14,419,000 (2013: £11,920,000) 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 and Charity

	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation			
At 1 April 2013	99	52	151
At 31 March 2014	99	52	151
Depreciation			
At 1 April 2013	48	42	90
Charge for the year	28	10	38
At 31 March 2014	76	52	128
Net book value			
At 1 April 2013	51	10	61
At 31 March 2014	23	-	23

## 11. Fixed asset investment

	<b>Charity 2014 £'000</b>	<b>Charity 2013 £'000</b>
Investment in BBC Media Action (India) Limited		
Cost	<b>55</b>	55
Less: Cumulative impairment	<b>(35)</b>	(35)
Investment in BBC Media Action Nepal Pvt. Limited		
Cost	<b>3</b>	-
	<b>23</b>	20

BBC Media Action (India) Limited is 100% owned by the BBC Media Action. Until 12 September 2013 BBC Media Action (India) Limited was called BBC WST Limited.

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 (2013: £nil).

BBC Media Action Nepal Private Limited is an entity established in Nepal on 13 May 2013 and is 100% owned by BBC Media Action.

### **BBC Media Action (India) Limited**

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

	<b>2014 £'000</b>	<b>2013 £'000</b>
Total incoming resources	<b>5,030</b>	5,934
Total resources expended	<b>(5,030)</b>	(5,934)
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>2014 £'000</b>	<b>2013 £'000</b>
Fixed and current assets	<b>1,640</b>	2,742
Liabilities	<b>(1,619)</b>	(2,721)
Net assets / funds	<b>21</b>	21

### **BBC Media Action Nepal Private Limited**

The statement of financial activities of BBC Media Action Nepal Private Limited may be summarised as follows:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Total incoming resources	<b>9</b>	-
Total resources expended	<b>(6)</b>	-
Net incoming resources	<b>3</b>	-
Total funds brought forward	-	-
Total funds carried forward	<b>3</b>	-

The balance sheet of BBC Media Action Nepal Private Limited may be summarised as follows:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Fixed and current assets	<b>3</b>	-
Liabilities	-	-
Net assets / funds	<b>3</b>	-

### **BBC World Service Trust India**

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>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Total incoming resources	-	-
Total resources expended	-	-
Net income resources	-	-

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

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Fixed and current assets	<b>1</b>	9
Liabilities	<b>(1)</b>	(9)
Net assets/funds	-	-



## 12. Debtors

	<b>Group 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>Charity 2014 £'000</b>	<b>Charity 2013 £'000</b>
Trade debtors	1,906	2,748	1,906	2,748
Amounts due from related undertakings	4	-	4	-
Other debtors	654	763	426	475
Prepayments	870	852	870	852
Accrued income (see note 16)	2,443	6,031	2,429	6,028
	<b>5,877</b>	<b>10,394</b>	<b>5,635</b>	<b>10,103</b>

All debtors fall due within one year.

## 13. Cash at bank and in hand

	<b>Group 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>Charity 2014 £'000</b>	<b>Charity 2013 £'000</b>
Cash held at bank in UK	6,571	4,036	6,571	4,036
Cash held at bank and in hand overseas	768	1,214	727	1,155
	<b>7,339</b>	<b>5,250</b>	<b>7,298</b>	<b>5,191</b>

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

	<b>Group 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>Charity 2014 £'000</b>	<b>Charity 2013 £'000</b>
Trade creditors	884	692	884	692
Amounts due to subsidiary and related undertakings	1,668	5,472	3,028	7,864
Other creditors	684	445	460	161
Accruals	624	1,038	489	933
Deferred income (see note 16)	4,382	3,374	3,121	1,041
	<b>8,242</b>	<b>11,021</b>	<b>7,982</b>	<b>10,691</b>

## 15. Provisions for liabilities

### Charity and group

	Overseas Employment Tax £'000	Project Costs £'000	Total £'000
At 1 April 2013	147	130	<b>277</b>
Utilised during the year	(10)	(74)	<b>(84)</b>
Charge to SOFA for the year	16	159	<b>175</b>
Amounts released unused	(22)	(43)	<b>(65)</b>
At 31 March 2014	<u>131</u>	<u>172</u>	<u><b>303</b></u>

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 2014. It is expected that the majority of these obligations will be paid during the year ending 31 March 2015.

## 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 2014 the Group had 77 (2013: 81) active projects:

	Total Deferred Income	Total Accrued Income	Amount received and other movements	Released through the SOFA	Total Deferred Income	Total Accrued Income
	2013 £'000	2013 £'000	2014 £'000	2014 £'000	2014 £'000	2014 £'000
* BMB English in Action	-	257	(1,219)	1,119	-	157
* BMB South Sudan Girls Education	-	-	(528)	677	-	149
* DFID Global Grant	-	1,699	(21,425)	19,973	-	247
Belgian Embassy - Afghanistan	(9)	-	-	4	(5)	-
Dutch Embassy - Afghanistan	-	4	(4)	-	-	-
Dutch Embassy Kabul - Afghanistan	(149)	-	(177)	205	(121)	-
EC ENPI Training	-	520	(992)	993	0	521
EC Med Media ENPI	-	-	(824)	136	(688)	-
EC Sierra Leone Cocoa Project	-	54	(235)	227	-	46
ECHO Enhanced Response Capacity	(328)	-	12	445	-	129
EU Azerbaijan Journalism Teaching	(82)	-	(1)	140	-	57
EU Serbia - EU Integration	-	322	(322)	-	-	-
EU Serbia Digital Switchover	-	696	(1,189)	493	-	-
EU Zambia - MAKE	-	8	(46)	38	-	-
+ FCO Algeria - Public Service Broadcasting	-	-	(421)	430	-	9
+ FCO Arabic Question Time (Egypt)	-	3	(3)	-	-	-
+ FCO Cambodia - Voter Education Airtime	-	-	(38)	39	-	1
+ FCO Charles Taylor extension	(2)	-	2	-	-	-
+ FCO Iraq - Consolidation Media Freedoms	-	-	(913)	405	(508)	-
+ FCO Libya - Public Service Broadcasting	-	-	(462)	536	-	74
+ FCO Libya TV Stations and Programming	-	90	(91)	-	(1)	-
+ FCO Libya (LANA)	-	-	-	44	-	44
+ FCO Radio Algeria's Transition	-	1	(1)	-	-	-
+ FCO Saat Hissab Media Debates	-	677	(677)	-	-	-
+ FCO Tunisia - Public Service Broadcasting 2	-	-	(430)	616	-	186
+ FCO Zambia Debates!	-	-	(66)	150	-	84
GATES Family Health in Nigeria	-	-	(1,257)	375	(882)	-
GATES India - MCH	(1,700)	-	(2,238)	2,843	(1,095)	-
Global Fund Cambodia GF9 Malaria	(41)	-	41	0	-	-
Harakat - Afghanistan	(2)	-	(9)	11	-	-
IREX - MultiMedia - Belarus	(1)	-	1	-	-	-
NED - Afghanistan	-	11	(11)	-	-	-
Pathways - Afghanistan	(12)	-	-	7	(5)	-
PHFI-NACO Support	(173)	3	(43)	216	-	3
SDC - Afghanistan	-	1	(2)	1	-	-
* SFH Nigeria ENR to HIV/AIDS	(59)	-	(735)	878	-	84
SIDA Media & Comms	(18)	-	18	0	-	-
SIDA ZAMBIA - TIKAMBE! LETS TALK	-	-	(704)	141	(563)	-
UNDP Cambodia Multimedia initiative	-	48	(824)	758	(18)	-
UNICEF Multimedia Initiative for Youth Education	-	-	(183)	165	(18)	-
UNICEF Somalia Nutrition Hygiene Health	-	316	(578)	470	-	208
UNICEF Somalia Polio Response Project	-	-	-	104	-	104
USAID Burma Horizon	-	193	(193)	-	-	-
US State Dept Iraq	(22)	-	(996)	1,074	-	56
USAID Expanded social marketing project Nigeria	-	140	(1,084)	944	-	-
USAID Governing Justly and Democratically	-	294	(308)	22	-	8
USIP Afghanistan	(26)	-	4	25	-	3
Other Projects	(750)	694	(1,633)	1,484	(478)	273
<b>TOTAL</b>	<b>(3,374)</b>	<b>6,031</b>	<b>(40,784)</b>	<b>36,188</b>	<b>(4,382)</b>	<b>2,443</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 2013 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Balance at 31 March 2014 £'000
Unrestricted funds:					
Designated funds:					
Technology led change fund	215	-	(75)	150	290
Catalyst fund	80	71	(85)	-	66
Tangible fixed assets fund	61	-	(38)	-	23
Total designated funds	356	71	(198)	150	379
General funds	4,051	4,550	(4,136)	(150)	4,315
Total Unrestricted funds	4,407	4,621	(4,334)	-	4,694
Total Restricted funds	-	35,760	(35,760)	-	-
<b>Total Funds</b>	<b>4,407</b>	<b>40,381</b>	<b>(40,094)</b>	<b>-</b>	<b>4,694</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 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 £75,000 expenditure relating to this fund and an additional £150,000 has been added to the fund.

In 2011/12 the Board of Trustees set up a designated fund named the Catalyst Fund. The Catalyst Fund is used to develop and pilot new projects and approaches and provide matched funding for large scale grants. It is expected that new funds raised each year for the Catalyst Fund which will then normally be used within one year. During 2013/14 £71,000 has been raised for the Catalyst Fund and there has been expenditure from the fund of £85,000.

The Tangible fixed asset fund at 31 March 2014 represents the net book value of BBC Media Action's tangible fixed assets.

At 31 March 2014 undesignated general funds of £4,315,000 were held (2013: £4,051,000).

The funds balances held at 31 March 2013 and 31 March 2014 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	Net current assets	Provisions for liabilities	Total funds
Restricted funds	-	172	(172)	-
Unrestricted designated funds	23	356	-	379
Unrestricted general funds	-	4,446	(131)	4,315
<b>Total Funds at 31 March 2014</b>	<b>23</b>	<b>4,974</b>	<b>(303)</b>	<b>4,694</b>

## 19. Subsidiary undertakings

BBC Media Action has three 100% owned subsidiary undertakings: BBC Media Action (India) Limited and BBC Marshall Plan of the Mind Inform, which were acquired on 1 October 1999, and BBC Media Action Nepal Private Limited, which was established on 13 May 2013.

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 Nepal Pvt. Ltd, Company Registration Number: 112548/60/070 is an entity established under the laws of Nepal. It is 100% owned subsidiary of BBC Media Action

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

	2014 £'000	2013 £'000
Net income for the year	287	1,189
Depreciation	38	46
Investment income	(30)	(11)
Loss on sale of tangible fixed asset	-	35
Decrease/(increase) in debtors	4,517	(3,385)
(Decrease)/increase in creditors	(2,779)	2,203
Increase/(decrease) in provisions	26	(250)
<b>Cash inflow/(outflow) from operating activities</b>	<b>2,059</b>	<b>(173)</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 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>Charity 2014 £'000</b>	<b>Charity 2013 £'000</b>
Within one year	<b>1,160</b>	1,198	<b>735</b>	854
In the second to fifth years inclusive	<b>295</b>	633	-	-
	<b>1,455</b>	1,831	<b>735</b>	854

### c) Operating Leases

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

	<b>Group 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>Charity 2014 £'000</b>	<b>Charity 2013 £'000</b>
Land and buildings				
Operating leases which expire:				
Within one year	<b>408</b>	402	<b>363</b>	367
In the second to fifth years inclusive	<b>131</b>	90	<b>131</b>	78
	<b>539</b>	492	<b>494</b>	445

At 31 March 2014, total amounts payable in the future on non-cancellable operating leases were £586,149 relating to land and buildings (2013: £620,655).

On 18 July 2014 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 2013 by Towers Watson, consulting actuaries. At 1 April 2013, the actuarial valuation showed a funding shortfall of £2,054 million and the actuarial value of the assets was sufficient to cover 83.4% of the benefits due to members, after allowing for expected future increases in earnings.

A recovery plan was agreed between the BBC and the pension scheme Trustees which details the contribution amounts to be paid by the BBC over a 12 year period commencing 2014.

The contributions to the scheme by members 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 2016.

Contribution rates	Projection				
	2015 %	2014 %	2013 %	2012 %	2011 %
Employer*	16.7	<b>14.5</b>	14.5	14.5/1 5.5	18.15
Employee (Old and New Benefits)	7.5	<b>7.5</b>	7.5	7.5	7.5
Employee (Career Average Benefits 2006)	4.0	<b>4.0</b>	4.0	4.0	4.0
Employee (Career Average Benefits 2011)	6.0	<b>6.0</b>	6.0	6.0	-

\* 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% (2013: 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 £404,273 in the year (2013: £426,923). At 31 March 2014, no contributions had been prepaid (2013: nil).

The actuarial valuation was updated for FRS 17 purposes to 31 March 2014 by Towers Watson, consulting actuaries. This valuation identified a deficit of £1,508.5million in the scheme at 31 March 2014 (2013: £1,710 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 £212,489 in the year (2013: £102,328).

## **23. Related party transactions**

During the year, BBC Media Action procured some legal, HR and IT support services of £601,122 (2013: £446,034) 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 2014, an amount of £1,668,000 (2013: £5,472,000) was owing to the BBC Group. This amount owing is non-interest bearing and repayable on demand. At 31 March 2014 BBC World News Limited owed BBC Media Action £4,000 (2013: £nil).

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 2014 an amount of £3,006 (2013: £3,295) was owed by BBC Media Action USA, Inc. This amount is non-interest bearing and repayable on demand.