

**BBC**

**MEDIA ACTION**

TRANSFORMING LIVES THROUGH MEDIA  
AROUND THE WORLD

## **Annual Report 2015/16**

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## OVERVIEW

At BBC Media Action we witness daily examples of how media and communication can help transform people's lives. The financial year 2015-16 saw us continue many of our popular long-running TV and radio programmes and launch new programmes and communication projects. We continued to invest in measuring the breadth and impact of our work and this is reflected throughout the report.

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We appealed to younger audiences in countries such as Tanzania, Ukraine and Tunisia with drama and discussion programmes designed to encourage their involvement in civic and political life. In Myanmar, where the country held its first multi-party elections since 1990, we launched a major new radio drama to help bridge ethnic and religious divides in this fledgling democracy.

In response to a major earthquake in Nepal and flooding in Myanmar we helped to create emergency "lifeline" radio programmes. They gave people vital information and practical advice in the immediate wake of the disasters and support in the recovery phase.

In January 2016 the government of India began its nationwide roll-out of two mobile-phone-based health (mHealth) services developed and piloted by our India team. When the expansion is complete we expect more than 1 million health workers and 10 million pregnant women and mothers to benefit from the programme. Achieving impact on this scale is hugely exciting and a testament to the careful research, planning and consultation that informed the original project which began its life in Bihar, one of India's poorest states.

We know that to increase our impact, we ourselves as well as our partners and the wider development sector need to understand how and why media and communication can help achieve development goals. We do this through an extensive audience research and evaluation programme. Researchers are based in each of our 16 offices and their insights help our teams make programmes that are relevant, appealing and most importantly, achieve impact. Our research teams measure the impact we have in increasing knowledge, changing attitudes and bringing about changes in people's behaviour.

In 2015 we conducted a randomised control trial involving 900 women in Bangladesh to see what impact our maternal and child health programmes had on audience members. Results confirmed that women who watched our programmes knew significantly more about antenatal care than the control group; the greater their exposure to our programmes, the more their knowledge increased. The women were also more likely to say they planned to attend antenatal appointments. These results are very encouraging and strengthen the evidence base for what we already believe to be true – that by harnessing the power of the media we can change lives for the better.

## Strategic Report and Board of Trustees' Report

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The Trustees are pleased to present their annual report and audited consolidated financial statements of BBC Media Action and its subsidiaries for the year ended 31 March 2016. The Trustee's report also contains the information required in a strategic report.

***Who we are and what we do, highlights of our achievements in 2015-16 and a summary of our aims for 2016-17.***

### **Who we are**

BBC Media Action is the BBC's international development charity. We use the power of media and communication to help reduce poverty and support people in understanding their rights. We help people make sense of events, engage in dialogue, and take action to improve their lives through access to timely, reliable information. Our goal is to inform, connect and empower people around the world.

Our offices are in 16 countries across Africa, Asia, the Middle East and North Africa and many of our projects reach beyond these countries.

In 2015-16 our worldwide weekly viewer and listenership was 21 million\* and our work reached approximately 200 million people across the year.

\* Source: BBC Weekly Global Audience Measurement 2016

### **What we do**

We pursue our goal of transforming people's lives through the power of media by carrying out the following activities.

- We make short- and long-form radio, TV and online programmes in a wide range of genres, including: reality TV, discussion and debate, soap operas, dramas, magazine and feature programmes, information spots (public service announcements), phone-ins and expert advice programmes.
- We create practical mobile-phone and social-media-based information services for our target audiences. These have included health workers, pregnant women and mothers, refugees and those affected by the Ebola virus in West Africa.
- In some cases, a live event or face to face communication is the most effective means of bringing about change. We support street theatre and radio listening groups, we run and support radio roadshows and we facilitate discussions at village and community level.

- We support others to communicate more effectively through professional mentoring for journalists and practical support and strategic guidance for media managers, as well as designing and delivering communication support for development professionals, local and national government and at community-level. This helps strengthen the capacity of our partners.
  - We know media and communication can have a profound impact. To help ensure we contribute to lasting change in people's lives, we engage with international development decision-makers and influencers to share our insights and help shape international policy decisions that affect the people we want to help.
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We have established that we will achieve greatest impact and public benefit by focusing on three thematic areas:

*Our **governance** initiatives aim to provide access to information and create platforms to enable people to participate in community life and hold those in power to account, as well as strengthening media capacity.*

*Our **health** initiatives 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 and ability to take action in the interests of their own health and the health of their families.*

*Our **resilience and humanitarian response** activities increase people's ability to secure food and water, improve their economic security and opportunities, and reduce their risk of vulnerability to disaster, as well as responding when a humanitarian emergency occurs.*

## **Purpose**

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, news conferences, relevant law and newsroom roles and responsibilities, so as to promote high standards of balance, fairness, integrity and professionalism.
- 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 by producing public service announcements, discussion programmes, drama, broadcasting and other dissemination of educational films and radio and TV programmes, and the publication of other educational material for the benefit of the public.

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## How we work

We strengthen our impact by working at several levels:

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

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

### Diversity

We know that if we are to fulfil our mission to inform, connect and empower people, we need to achieve diversity within our teams, projects and outputs. Across our work we aim to be inclusive and champion diversity, both as an employer and in the projects we design and the programmes we make. We strive to address inequalities – such as those based on gender, sexuality, disability, religion or ethnicity – and help to enhance marginalised people's participation in economic, social and political life.

In 2015 we published our diversity strategy 'Celebrating Difference, Transforming Lives'.

### Audiences

To appeal to the people who can benefit most from our programmes we have to know how they live, what they believe, what they consider to be their challenges and their strengths. We make our programmes relevant, interesting and accessible by carrying out extensive research into the needs, preferences and media consumption of our audience members.

### Broadcast partners

We work closely with BBC World Service language services and other broadcasters. These partners help us increase the number of people we reach as well as affording valuable opportunities for co-production, training and capacity strengthening. We benefit from broadcasting on the networks of hundreds of national and local broadcasters in the countries where we work.

### Donors

Our 99 projects in 2015/16 were supported by a range of funders including national governments, private foundations, the UK's Department for International Development (DFID), the UK Foreign and Commonwealth Office, several UN agencies, the Bill and Melinda Gates Foundation, and US government funding through

USAID, OFDA and the Department of State among others. In 2015-16 DFID was our largest donor. Since 2011 it has funded us through a multi-year Global Grant, which will run until March 2017 and has supported our project activity and research and policy insights in the fields of governance, health, resilience and humanitarian response.

## **Strategic plans**

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BBC Media Action's five year strategic plan for 2014-2019 was approved by the Board of Trustees in April 2014. The Trustees confirm that they have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 when reviewing BBC Media Action's aims and objectives and in planning future activities.

## **Achievements and performance**

### ***Aim 1. Effective delivery of our governance, health, resilience and humanitarian response work across Asia, Africa, the Middle East and Europe***

In the financial year 2015-2016, BBC Media Action worked on 99 TV, radio, online, mobile phone, social media, face-to-face dialogue and capacity strengthening projects. We did this in partnership with local broadcasters and BBC services across Asia, Africa, the Middle East and Europe, reaching 21 million people in a typical week, according to the BBC Weekly Global Audience Measurement 2016.

## **High-quality and appropriate content**

"I never miss a programme, that's the reason I carry my radio with me everywhere I go."

Umar Faruk, radio listener, *Ya Take Na Arewa* (What's Happening in the North), Nigeria

We have built the reputation and the quality of our work on a foundation of research, learning and professional rigour and continue to follow a planning, monitoring and evaluation process that includes thorough formative research. We engage experienced broadcast professionals to train and advise our production teams. To maintain quality, we review our programmes regularly, making sure our content adheres to BBC editorial values of fairness, accuracy and impartiality as well as ensuring that audiences are at the heart of what we do. We have improved and extended training and the support modules available online, through the distance-learning platform iLearn.

- We launched radio drama *The Tea Cup Diaries* in Myanmar to help build tolerance and understanding between people from different ethnic groups and religions. Set in a tea shop the 26-part series has quickly built up a loyal listenership. In a programme evaluation, 57% of listeners said they had learned conflict resolution skills and 29% said they had learned how people from different backgrounds could live side by

side. Listeners also commented that the programme stood out as a realistic portrayal of Myanmar life, resonating strongly with women and people in rural areas.

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- Our resilience-focused radio project in Tanzania included a weekly live discussion programme *Nyakati Zinabadilika* (The Times Are Changing) which gave listeners practical advice on agriculture, income-generating activities, and a chance to speak to decision-makers and experts. Research in 2015 showed that the project reached 31% of adults in the Dodomo and Morogoro regions where the programmes were broadcast. One third (33%) of listeners reported taking action as result of the programme, such as growing vegetables to pay school fees.
- To help tackle deep polarisation in the Ukrainian media, we provided mentoring and production training to National Television Ukraine. This consisted of an innovative, bilingual (Ukrainian/Russian) drama shown on TV, online and on social media platforms, which aimed to reflect all sections of society, and particularly young people. Almost all focus group participants (93%) said they would like to see a follow-on drama. We trained 12 young "peer producers" to create and moderate online debates that raised issues in the drama.
- In Bangladesh the "reality" TV programme *Amrai Pari* (Together We Can Do It) received honourable mention in the 2015 Green Star Awards recognising 'remarkable contributions to the field of environment emergencies', a joint initiative of the United Nations Office for the Coordination of Humanitarian Affairs, Green Cross International and the United Nations Environment Programme. The programme features community efforts to prepare for events such as chronic flooding and natural disasters. One listener told us, "After watching *Amrai Pari* we were inspired, it motivated me a lot. If we can work together like that we could solve our own problems."
- In a 2015 survey, more than a third of *Amrai Pari* viewers told us they had prepared themselves for natural hazards or longer-term problems such as food shortages as a result of watching the show.
- In Zambia our *Tikambe* (Let's Talk) project team produced 10 TV shows, in which young people discussed sexual health and personal relationships. This prime-time TV series helped to facilitate difficult conversations on topics that are rarely discussed in Zambia, such as teenage pregnancy, sexual abuse within families and alcohol abuse. A sensitively-handled episode which featured the testimony of a survivor of sexual abuse generated discussion and garnered positive feedback from parents and other audience members on social media.
- Our *Open Jirga* (Open Assembly) bilingual (Dari and Pashto) TV and radio debates in Afghanistan highlighted complex and critical issues, including the rise in extremism, the presence of militias, peace process negotiations and problems relating to mass migration. The programme enables people to discuss sensitive matters of national importance. One female audience member remarked: "Whenever we want to raise our voice ...somebody threatens us. So we are really interested in participating in programmes like



this." In 2015-2016, taking the debates on the road to Nangarhar, Balkh and Kandahar provinces gave people who are unable to travel to our recordings in Kabul for cultural, economic or security reasons the opportunity to make their voices heard.

- Research in Nigeria demonstrated that our Hausa-language maternal- and child-health-focused radio magazine programme, *Ya Take Na Arewa* (What's happening in the North), reached 20% of adults in 15 states. In total we reach nearly 53 million people in Nigeria through our radio dramas, radio magazine programmes and public service announcements. This is more than half of all Nigerians aged 15 and over who have access to TV, radio or internet.
- Our sexual and reproductive health project Love9 reached 53% of young people aged 15-24 in Cambodia (approximately 1.7 million people) and appealed equally to men and women. Nearly three-quarters of the audience follows the TV and radio programmes on a regular basis. Research showed that Love9 improved young Cambodians' knowledge of modern contraceptives and sexually transmitted infections.
- We built on the success of our maternal and child health radio show *Jember* (Dawn) in Ethiopia by holding a series of radio roadshows in the country's Amhara region, reaching more than 10,000 people. Broadcast on Ethiopian national radio and on Amhara radio, *Jember* is among the most popular shows on both stations. It has become a valuable source of information for health workers and our researchers regularly hear the phrase, 'I heard it on *Jember*'. The roadshows helped us speak directly to current listeners, reach new audience members and raise awareness of the need for improved maternal and child health. A listener whose friend died during a home birth told us, "We would have saved a lot more mothers and children if *Jember* had come earlier."

### Effective project design and delivery

"In a crisis, people don't just want to hear their problems fed back to them or updates on the death toll; they need to hear and discuss solutions, and they need 'news you can use'."

Jackie Dalton, BBC Media Action lifeline programme senior producer/trainer

- "Preparation for Lifeline" training delivered by our humanitarian advisors in previous years meant that media and humanitarian agencies in Nepal and Myanmar were ready to provide critical information immediately in the wake of two natural disasters in 2015. In Nepal post-earthquake, we started to produce emergency radio programmes within hours of the disaster and continue more than a year after, broadcasting on BBC Nepali and local radio stations. The radio programme *Milijuli Nepali* (Together Nepal) offered people reassurance, as well as practical advice on staying safe, protecting children and looking after their health in unsanitary conditions. Sajana Timilsina, a journalist at Ujyaalo Network FM involved in the post-earthquake response said the information she broadcast "could mean the difference between life and death" for her listeners. A pregnant woman who listened to *Milijuli Nepali* told us, "I learned I need to take rest and not to worry. If I hadn't got that information I would have worried all the time." Following

flooding in Myanmar in July and August 2015, Myanmar Radio and trained relief workers launched the radio programmes *Shin Than Chin Kan Lan Mya* (Linking Hands to Keep Living) to communicate lifesaving information to help people affected by the disaster.

- Our audience researchers employ qualitative and quantitative methods to inform, assess and evaluate our projects. Notable examples of research in 2015-2016 included: a qualitative study across Somalia, Kenya and Tanzania looking at the role of media in tackling extremism; a study assessing the feasibility of health workers using mobile phones to deliver health information in the aftermath of the Ebola crisis; and research conducted inside Syria to inform the editorial content of a radio drama.
- We achieved a rare A+ rating, which means we 'exceeded expectations' in the fourth year of our five-year Global Grant from DFID (A+ for governance, A for health, A for resilience and A+ for policy and evidence). As part of projects funded by the Global Grant we undertook more than 80 partnerships with local media, helping to strengthen the capacity of their editorial and management teams.
- We were selected as the lead agency for the new Disasters and Emergency Preparedness Programme in Bangladesh. Acting on behalf of the global Communication with Disaster Affected Communities (CDAC) Network, we lead a long-term partnership of more than 30 UN, NGO and government agencies, to incorporate coordinated, high-quality communication into local and national disaster-response planning. This project builds on our previous Preparation for Lifeline humanitarian preparedness work in Bangladesh.
- Our team of advisors designed and implemented a training programme to help ensure that our project design is underpinned by a robust theory of change. These experts trained staff at all levels in our approach to governance, health, and resilience and humanitarian response, as well as offering bespoke support to projects under development.
- In Tunisia, where 40% of the population is aged under 25 but many feel excluded from political discussions and frustrated by high levels of unemployment and economic hardship, we launched *Ija Inbox* (Come To My Inbox) a weekly TV show that gives 15-25-year-olds an opportunity to voice and discuss topics of concern on TV and on social media.

### **Mentoring, support and partnerships**

"I've transformed my journalism. The training gave me the opportunity to enquire and ask those hard questions to make sure we improve governance."

Collins Liberty Adede, mentee, Pwani FM, Kenya

Working in partnership with media partners, NGOs, government agencies and others is vital to BBC Media Action achieving impact in a cost-effective and sustainable way.

- In Somalia, we worked with partner radio stations to support them in producing programmes and strengthen their long-term commercial viability. We commissioned market research, providing each station with a detailed audience profile. The radio stations used this knowledge and training to develop pitches to raise revenue. Managers from three stations have told us they succeeded in attracting more advertisers.
- ~~Sexual violence is a serious challenge in Nepal, where support for victims and opportunities for redress are~~ limited. Our mentors worked with two local radio stations to devise mini dramas on the subject. The fictional storylines provided a safe space for audiences to explore difficult subjects such as domestic violence and rape. We also convened feedback meetings attended by NGO, government and private sector representatives and women's rights activists to help the radio stations improve the programmes further.
- Our partnership with the Kenya Broadcasting Corporation (KBC) has boosted local media capacity. Having worked closely with KBC when producing TV debate show *Sema Kenya* (Kenya speaks), we supported the national broadcaster to strengthen its public service ethos, culminating in the production of *Beyond the Headlines*, KBC's new current affairs programme, which the station plans to make its flagship election programme in 2017.
- During the Ebola crisis in Sierra Leone we supported our partner radio stations across the country to produce local Ebola programming in multiple languages. This enabled them to produce content about issues and concerns that affected their communities, featuring trusted local voices in a way that national radio programming could not. This was essential in getting lifesaving information to hard-to-reach audiences as 15% of rural audiences do not understand Krio or English. Isatu Kamara, a reporter from Radio Kolenten told us, *"BBC Media Action trained us to get the people to know more about Ebola, to try to clear up misconceptions. I know I am doing the right thing as a media person. I help my community greatly."* Our Ebola response work in Sierra Leone was highlighted as an example of effective development work during a UK Parliamentary debate at the House of Lords in July 2015.
- We trained, mentored and supported staff from 232 radio and TV stations in Nigeria. At the radio station FRCN Atlantic 104.5FM in the coastal state of Akwa Ibom, we worked with the production team to develop a new discussion programme, described by one producer as 'opening up new frontiers in excellent programme-making'. We also formed new partnerships with the country's first all-women radio station and the country's first business-focused radio stations.
- In Algeria, a challenging political context where private radio stations and TV stations are not allowed to operate, we are supporting the development of public service media through a combination of managerial, editorial and technical training. In feedback, several production staff and managers said the training had helped them design their programming with public service broadcasting values in mind and to pay closer attention to the needs and preferences of audience members.

- Nyarugusu Refugee camp in western Tanzania is one of the world's largest centres for displaced people. Refugees fleeing unrest from Burundi in their thousands have been adding to the estimated 78,000 refugees already there. Resources are overstretched and in cramped, unsanitary conditions, rumours and disease spread fast. We provided Preparation for Lifeline training to 16 humanitarian aid workers and 37 Congolese and Burundian refugees volunteering at Radio Amani. The station has now established a weekly magazine programme, *Kurunzi La Man* (Torch of peace), garnering extremely positive feedback. The United Nations High Commissioner for Refugees and other humanitarian organisations have shown interest in supporting the station so that it can continue serving the community.

***Aim 2. Playing a leading role in the sector, securing funding to support our work and providing value for money***

Policy analysis of the media's role in development is an important strand of our work. This year we set up a major new policy strand focusing on public service broadcasting in fragile settings, addressed a number of high-level meetings, and published and shared policy briefings and research reports. Our communication expertise on the response to the Ebola crisis has been much in demand, and staff members have shared our experiences at high-level UN and international health meetings.

- We published a paper commissioned by Stanford University, Chatham House and the United States Institute of Peace on the media's role in Afghanistan's ongoing process of nation-building; and a book chapter written for an Organisation for Economic Co-operation and Development governance handbook looking at the future of media assistance. The first focused on media in countries undergoing political or civil crisis, or where governance is weak, and the second explored the media landscape in four "Arab Spring" countries. We also published two research reports summarising recent evaluations of our work – one synthesising the effectiveness of broadcasts in humanitarian emergencies and another outlining learning from our efforts to strengthen the capacity of media organisations – as well as a research report looking at media, conflict and attitudes in two African countries.
- We set up a major new policy programme to support public service broadcasting, particularly in fragile and divided societies. In Afghanistan, we prepared a feasibility study on the reform of the state broadcaster, an initiative backed by the country's president and with local BBC Media Action staff on the advisory panel. In February 2016 we held a symposium in London to discuss public service broadcasting in fragile states.
- Our research and policy teams work closely with experts in the media development sector. In 2015 we collaborated with Lauren Frank, assistant professor at Portland State University, to explore through structural equation modelling the factors that drive health-seeking behaviour. The subsequent paper won the award for outstanding research presentation at the 3rd Biennial D.C Health Communication Conference in Washington DC in April 2015.

- During the period under review we contributed to: the International Social and Behaviour Change Summit held in Addis Ababa and a range of initiatives designed to improve evidence around health communication with WHO, USAID, Unicef and others.
- Our staff took part in a number of high-level development meetings, including at the Bill & Melinda Gates Foundation and The Rockefeller Foundation Bellagio Center. We briefed the National Security Council at the UK Cabinet Office on media in fragile states and served on the steering committee of the first International Social Behaviour Change Communication Summit.
- Our USA director joined a panel to discuss innovative responses to the Ebola epidemic convened by the Global Ebola Response Coalition at the World Social Marketing Conference in Australia and the United Nations Ebola Recovery Conference. At the UN conference, our senior production manager in Sierra Leone facilitated a live panel discussion with ministers and civil society representatives from Sierra Leone, Guinea and Liberia on their post-Ebola recovery plans.
- We continue to cultivate links with high-level donors to discuss projects and policy issues such as assessing the strength of the evidence for health communication. In India, we worked with the Bill & Melinda Gates Foundation and the Ministry of Drinking Water and Sanitation to document and share inspiring cases of individuals and communities that have eradicated or reduced open defecation in order to improve health and sanitation.

#### **Value for money**

- As part of projects funded by our multi-year DFID-funded Global Grant we spent an average of 28p for each person who watched, listened to or interacted with our governance, health or resilience programming.
- We benefited from free airtime for our programmes in Nigeria from 201 radio stations and 109 TV stations, valued at an estimated £1.3 million. We continued to strengthen our strategic partnerships around the world including our relationship with the Broadcasting Organisations of Nigeria (the umbrella organisation for Nigerian radio and TV stations).
- Our colleagues around the world share information and collaborate to improve impact and cost effectiveness. In 2015 we implemented a single finance system in all our country offices and in London to improve the efficiency and quality of our financial information.
- Notable corporate support from 18 partners in 2015-2016 included: Access Bookings providing hotel accommodation for training workshops; Atos providing IT support for our London office; The Langham providing food, beverages and the venue for our annual fundraising Correspondents' Dinner; Getty Images giving us free use of their image archives for our research and marketing publications; Facebook providing advertising and verification for 10 of our projects; Twitter providing promoted tweets for our promotional

campaigns; Fujitsu providing a new 'office in a box' IT solution for our non-UK offices; and Accenture and Deloitte providing specialist consultancy for our finance team.

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## **Securing funding**

In 2015-2016 we increased the value of grants secured from donors and improved the proportion of our funding proposals that were successful. We have continued to diversify our funding base and build consortia relationships.

- In Bangladesh we formed a partnership for the first time with the Children's Investment Fund Foundation, to address the nutritional needs of pregnant women and children under five. This collaboration enabled us to create six more episodes of our flagship maternal health drama *Ujan Ganger Naiya* (Swimming against the tide), a mobile ringtone with useful advice about nutrition and a public service announcement.
- We secured two new grants from the Norwegian government – £0.6m for using media and communication to address the health impacts of air pollution in Ethiopia and £3.3 million for a governance project focused on deforestation and green growth in Indonesia.
- In Nepal, we secured funding from USAID's Office of Disaster Assistance for our post-earthquake Lifeline programming. We have increased our internal capacity to manage USAID funds, with members of our regional Asia, Middle East, and finance teams improving their knowledge and skills through training and working closely with USAID teams.

### ***Aim 3. Ensure we are creative and flexible – applying the best new ideas and applications and learning from our technologically innovative projects.***

We strive to reach our target audiences via the most accessible and user-friendly media platforms. In a world of rapidly-changing technology, we increasingly use mobile phone-based and social media channels to improve our interaction with the people who watch and listen to our programmes or access our information.

- Following the earthquake in Nepal, we used the *Sajha Sawal* (Common Questions) Facebook page to survey more than 3,000 people. Their responses helped us to shape the content of our discussion programmes. We have been able to reach many Nepali migrant workers via Facebook who continue to watch and comment on our programmes.
- Our Sierra Leone team developed and trialled mobile services for community health workers, in conjunction with the Ministry of Health and Sanitation. *Welbodi Tok* (Well Body Talk) and *Welbodi Campus* (Well Body Campus) respond to needs identified during our Ebola work in Sierra Leone, and draw on the lessons learned from our successful mHealth project in India. Using a basic mobile phone, health workers can dial the *Welbodi Tok* phone number to access recorded information on topics ranging from the treatment of

diarrhoea to breastfeeding and good hygiene. *Welbodi Campus* uses the same technology to train community health workers.

- In the run-up to Myanmar's historic parliamentary elections in November 2015, we ran a mobile journalism and election reporting course for 170 young journalists around the country so that they could gather and report news using open source apps on low-cost smartphones. Most had grown up under military rule and come through an education system that discouraged critical thinking so we delivered training on accurate and impartial reporting skills as well as giving them the technical knowledge required to record and transmit audio and video content.
- Audiences increasingly access content via digital and social media platforms and in 2015 we appointed a digital specialist to coordinate our digital strategy. During the period under review our teams in Myanmar, Nigeria and Bangladesh benefited from tailor-made courses on using mobile technology to engage with their audiences.
- Social media training for our project staff has helped boost followers on Facebook for our Bangladeshi TV programme *Amrai Pari* from 2,000 to 57,558. In Myanmar the number of "likes" on Facebook for our radio drama *The Tea Cup Diaries* rose to nearly 99,000 from 2,000.
- As part of our Ebola response in Sierra Leone, we developed a WhatsApp broadcasting channel – the first of its kind in the country. The text and audio service has attracted more than 15,000 subscribers despite less than a quarter of all mobile phone owners being able to access apps on their phones. Most of these people were influential in the communities and shared the information more widely. During the Ebola outbreak we used it to share information about transmission, prevention and treatment of the virus, trail upcoming Ebola programmes and to share our Ebola-focused drama *Mr Plan Plan*.
- Around the world social media has proven successful in achieving higher levels of engagement, particularly with young urban audiences. Our Sierra Leone office's Facebook page became the fastest growing social media page in the country. Popular posts focused on current affairs, including a post sharing provisional census results that reached more than 110,000 people.
- In Bangladesh members of the national men's and women's cricket teams appeared in a special episode of our reality TV show *Amrai Pari* helping a rural community to build better flood defences. Social media content connected to the programme reached more than 1.8 million people on Facebook, with support from the two most popular Facebook pages in the country: the Bangladesh Cricket Board and the BBC Bengali service.

## **Learning and sharing lessons**

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- We established an independent Research and Learning Advisory Board, comprising technical experts from the University of East Anglia and the London School of Economics. They meet twice a year to review our research analysis.
- We made significant investments in our online distance-learning platform, iLearn. We adapted training materials on using media to improve health for use on the platform – which means it is now open source and available to partners across the world. Learning from key projects is shared on iLearn, ranging from the use of WhatsApp during the Ebola crisis in Sierra Leone to our mHealth Shaping Demand and Practices project in India.
- In Nepal, access to the iLearn modules has been extended to producers working across 250 Association of Community Radio broadcasters as well as commercial radio station partners. Our Afghanistan team used iLearn to train its own staff and those from four FM radio stations in Herat, Nangarhar, Khost and Helmand provinces to increase understanding of polio and the barriers that prevent uptake of child immunisation. This allowed us to reduce production costs, while our partners can reinforce and continue to build their knowledge and skills on a regular basis.
- In 2015-2016 we reviewed all our projects in Asia and many in Africa and the Middle East and Europe. These reviews gave us an overview of the theories of change underpinning our work and how the projects are responding to the needs of their audiences.
- In January 2016 BBC Media Action staff members from each country office discussed and revised our governance strategy to ensure that we can better respond to needs in conflict-affected and fragile states, focus on the empowerment of women, girls and young people, and to reflect our commitment to working through digital platforms, where appropriate.
- Our Research and Learning team in Bangladesh supported colleagues in Nepal and Cambodia, inviting the Cambodia senior research officer to shadow the team in Dhaka, and assisting our Nepal team immediately after the earthquake.

### ***Aim 4. Strengthen partnerships with the World Service Group and wider BBC***

As an international development charity we are independent of the BBC. However we broadcast many of our programmes on the BBC World Service and draw on the expertise and creativity of staff from across the BBC to help improve our projects.

- Our successful bid for a £3.3 million project to create national drama and discussion programmes on the environmental and economic implications of forest management in Indonesia was supported by



partnerships within the BBC, notably the BBC Natural History Unit and BBC World Service's Indonesian Service.

- Our Editorial Development team facilitates exchanges with other parts of the BBC. For example, the editor of BBC Radio 4's Today programme visited our offices in Bangladesh and Delhi to discuss editorial dilemmas and encouraging greater diversity. Close collaboration with BBC Fusion, an initiative to encourage digital innovation among programme-makers, enabled us to share 17 training films highlighting digital and mobile experiences from across the World Service and the wider BBC.
- Our projects and partners benefited from access to the world-class journalism skills of BBC World Service staff. Five FM radio stations in Afghanistan benefited from face-to-face training in Kabul from two of BBC World Service's most experienced journalists. In Nepal a World Service broadcast journalist trained more than 60 broadcast producers from FM stations and humanitarian practitioners on the fundamentals of Lifeline communication, including maintaining editorial integrity in a post-disaster situation.
- In Afghanistan, Nepal, Tanzania and South Sudan, our teams contributed debates and discussion to the BBC's 100 Women season. Nepal's president Bidhya Devi Bhandari took questions from a 100-strong audience of women during the discussion show Sajha Sawal (Common Questions). In Tanzania the country's first all-female production crew staffed the four debates, providing an opportunity for women to take on leadership roles traditionally held by men. Each debate was attended by 100 women from all walks of life. "Whatever role you are playing, these women in the audience can see you and hear you," said one BBC Swahili service producer, "You have such a great impact by them seeing you working together with men supporting in the background." In South Sudan, seven partner radio stations from our girls' education project held debates to mark the season, including lively discussions on addressing gender stereotypes and the value of educating girls. Participating radio stations sent live updates and photos during the debates and a number of these were tweeted and broadcast by BBC channels.

***Aim 5. Make progress towards our equality and diversity objectives.***

We aim to reflect diversity and inclusion in our programming as well as our ways of working, to help audiences overcome prejudice and discrimination.

- Every member of BBC Media Action staff was given one objective for 2015-2016 relating to implementing our diversity strategy in their work. These objectives have taken different forms. For example, our head of policy and research insight participated in a six-month mentoring programme through BBC Outreach to give job training skills to university students from disadvantaged backgrounds.

- Every project review carried out in our Asia team in 2015-2016 specifically asked team members how their project is reaching and responding to the needs of marginalised groups, in particular women and young people.
- Our Advisory and Policy team produced a gender checklist for use across project lifecycles, from design to evaluation. This will support teams across the organisation in considering and addressing gender issues systematically.
- We finalised a strategy paper outlining the ways in which we can further embrace our diversity objectives and developed an online diversity and inclusion module for staff, using interactive exercises and other resources to advise them on best practice.
- In Nigeria women make up 42% of the audience for our Global Grant-funded radio shows, but we strive for women to make up at least 50% of our audiences across all outputs. In 2015, we created an internal gender learning group to help us appeal to women and youth. We are incorporating insights from this group into current programmes and strategies for future project design.
- Our programmes cover challenging topics such as homophobia and ethnic tension in sensitive ways, giving audiences new insights and opportunities for discussion. Our Klahan9 drama in Cambodia, for example includes Muslim and Gypsy characters, groups not previously depicted on Cambodian TV.

### **Looking ahead: 2016-17**

Our aims in 2016-17 are:

One: Effectively deliver our portfolio of governance, health and resilience work across Africa, Asia, the Middle East and Europe in line with approaches set out in our strategy papers. Achieve maximum impact in a cost-effective way.

Two: Make BBC Media Action more diverse in its staffing and programming.

Three: Work more and better with partners within the BBC and externally

Four: Put in place digital strategies at country level with the aim of reaching new audiences and specifically engaging with youth.

Five: Make BBC Media Action simpler and even more creative.

## FINANCIAL REVIEW

The income and expenditure account for the year ended 31 March 2016 shows a surplus (net incoming resources) of £1.3m (2015: £0.5m). This surplus reflects the growth in institutional fundraising, foreign exchange gains and a lack of negative financial shocks in the year. The surplus improves BBC Media Action's reserves.

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Total income of £45.3m was £2.2m lower than the previous year (2015: £47.4m). This reduction relates to Gifts in Kind donations which at £4.0m was £4.8m lower than the previous year (2015: £8.8m). Institutional grants/contracts funding for projects of £40.9m was £2.8m higher than the previous year (2015: £38.1m).

The largest single amount came through a Global Grant from the UK government's Department for International Development, with a value of £14.7m in the year (2015: £17.3m). This grant ends on 31 March 2017.

Total expenditure of £44.0m (2015: £46.9m) was lower than the previous year due to levels of Gifts in Kind. Expenditure on our charitable activity, providing public benefit by changing lives through media development and development communications, represented 99.2% of total expenditure (2015: 99.3%)

The consolidated cash flow statement shows that cash has increased by £0.5m during the year (2015: increase of £1.8m).

## FINANCIAL POLICIES

### Reserves

As a result of the net incoming resources of £1.3m, net assets in the consolidated balance sheet increased to £6.5m at 31 March 2016 (2015: £5.2m).

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 purpose of this policy is to ensure sufficient reserves are held to continue operating after negative financial shocks, whilst not tying up too much funding that could be spent on charitable activities.

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 £5.5m to £6.0m (2015: £5.5m to £6.0m).

This range is based upon:

- the stability, levels and types of future income – the majority of BBC Media Action's project funding is from institutional donors. In general there is a high degree of uncertainty of income more than 12 months ahead and the nature of the funding is that it is mainly restricted, reducing the ability to re-build reserves after negative financial shocks;

- an analysis of the financial risks faced by BBC Media Action – including considering scenarios that would result in a significant deficit in a financial year;
- the impact of future plans and commitments – these include signed leases, as well as other supplier and partner commitments; and
- an assessment of the essential running costs of BBC Media Action – the Board consider that six months essential running costs should be covered.

Total unrestricted funds held at 31 March 2016 amounted to £6.5m (31 March 2015: £5.2m) of which reserves in the general fund amounted to £5.9m (31 March 2015: £4.8m).

The other unrestricted funds are funds that have been designated by Trustees for a particular purpose. The catalyst fund is at £177,000 at 31 March 2016 and used to develop and pilot new projects and approaches and provide matched funding for large scale grants. The technology led change fund is at £475,000 at 31 March 2016 and is in place to ensure that sufficient resources are invested in organisational change including the development and enhancement of internal processes and systems. All designated funds are expected to be spent within three years.

### **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**

A large grant from DFID is due to end on 31 March 2017. This grant represented 32% of income in the year to 31 March 2016. If no replacement funding is obtained there is a likely to be some negative impact to reserves as organisational changes are made to adapt to a lower income level. However, reserves are considered at a sufficient level to absorb any losses as a result.

Therefore, 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 2015/16 BBC Media Action employed an average of 832 FTE staff, with 135 based in the London office. Of the staff based outside London, 3% are in the Middle East and Europe region, 47% in Africa, and 50% in Asia. This

includes 39 expatriate staff who have specialist skills in media and international development. Volunteers are not used to carry out the activities.

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.

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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 work experience placements on a regular basis.

BBC Media Action gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### **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 2015/16.

#### **Subsidiary companies**

BBC Media Action has three subsidiary companies which are 100% owned by BBC Media Action at 31 March 2016: 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. BBC Media Action Nepal Private Limited is an entity established in Nepal 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 27. 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, agreeing the financial plan and approval of key policies at board meetings. Key strategic documents include a formal plan 2014-2019, approach papers covering our Governance, Health and Resilience work, an approaches paper on Diversity and a Geographic 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 Board have appointed some of their members as lead trustee in particular areas and they report to the board on what they find.

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 Corporation". The board has established a Nominations Group to take an overview of how well governance is functioning including reviewing the composition of the board and managing recruitment of new trustees for approval by the overall board. Potential trustees are usually identified through networks of current trustees to fill specific profiles that are identified to be needed. 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 Fundraising) and a Leadership Group that includes additional London based managers and country directors. The salaries of these key management are reviewed on annual basis. The Executive Director carries out this review for other members of the management team, and the Executive Director's salary is reviewed by Trustees. In general these salaries are increased or held static in-line with the BBC's salary review for all BBC UK contracted staff. Salary levels of new staff are set by comparison to market rates.

In addition to the UK office, at 31 March 2016 there are BBC Media Action offices in 16 countries (Afghanistan, Bangladesh, Cambodia, Ethiopia, India, Kenya, 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 the Policy and Advisory team provide thematic support and 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.

Principal risks are identified below:

<b>RISK</b>	<b>MITIGATION</b>
<b>Safety and security</b> The environments BBC Media Action works in are inherently challenging as a result of conflict, lack of infrastructure and natural disasters.	<ul style="list-style-type: none"> <li>- Full time risk advisor in place for BBC Media Action and back-up support from BBC High Risk Team.</li> <li>- Hostile environment training mandatory prior to deployment to high risk areas.</li> <li>- Appropriate protocols and sign-offs in place for travel.</li> <li>- Emergency plans in place in country offices.</li> </ul>

<p><b>Significant grant ending March 2017</b></p> <p>The DFID Global Grant represents one-third of BBC Media Action's annual income. If this is not renewed this will result in a substantial reduction in income, activities and impact.</p>	<ul style="list-style-type: none"> <li>- Strong delivery on project, achieving at least A+ in each global grant annual review.</li> <li>- Increased funding in last two years from other sources, reducing reliance on grant.</li> <li>- Direct funding from DFID country offices possible in case of no Global Grant.</li> <li>- Sufficient reserves in place to manage reduction in size if required.</li> </ul>
<p><b>Compliance with local laws</b></p> <p>Failure to keep across changes in local laws across the many countries we work in could result in significant financial penalties and even being unable to continue work in a country.</p>	<ul style="list-style-type: none"> <li>- Country offices not opened without registration in place.</li> <li>- We have in-country teams in the key 16 locations that we work in. These staff are responsible for ensuring compliance with local requirements including registration, tax and statutory reporting.</li> <li>- We monitor changes to UK regulation and take appropriate action as a result of changes.</li> </ul>
<p><b>Business model and changes in funding environment</b></p> <p>BBC Media Action income is primarily funding for specific projects. If donors become less willing to fund the full cost of projects or put increased risk on the recipient there is a risk that BBC Media Action could not secure funding for an appropriate level of support costs and investment in systems.</p>	<ul style="list-style-type: none"> <li>- Budgets to donors for grants are reviewed through a methodology to ensure that project budgets cover a fair share of support costs.</li> <li>- Contracts for delivery are priced appropriately, reflecting the full cost and risk of proposals.</li> </ul>
<p><b>Reputation</b></p> <p>Events or incidents result in negative coverage in the UK and internationally, with consequent impact on areas including delivery, funding and safety.</p>	<ul style="list-style-type: none"> <li>- Clear lines of accountability are in place.</li> <li>- BBC Editorial Guidelines are followed.</li> <li>- Reactive lines in place for known risks and staff prepared to handle hostile press coverage.</li> </ul>

#### 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.



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The strategic report and the annual report are approved by the Board of Trustees on ~~7~~ August 2016 in their capacity as directors and signed on its behalf by:



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Francesca Unsworth, 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**

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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\*\***

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Francesca Unsworth\* (Chair)  
Alison Evans (Vice Chair) (until 29 January 2016)  
George Alagiah\* (until 29 January 2016)  
Martin Dinham (Vice Chair from 30 January 2016)  
David Kogan  
Keith McAdam  
Michael C. McCulloch †  
Bhupendra Mistry  
Sanjay Nazerali  
Ralph Rivera\* (until 24 July 2015)  
Susan King  
Richard Thomas\*† (until 19 June 2015)  
Alison Woodham†  
Mike Wooldridge (from 1 July 2015)  
Richard Dawkins\*† (from 1 July 2015)

### **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 Fundraising  
James Deane – Director of Policy and Learning  
Caroline Howie – Director of Programmes  
Chris Baker – Director of Finance and Business Services

### **Auditors**

Ernst & Young LLP, 1 More London Place, London SE1 2AF, United Kingdom

**Bankers**

~~Barclays Bank Plc, 1 Churchill Place, London, E14 5HP~~

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**Registered Office**

Broadcasting House, Portland Place, London W1A 1AA

**Registered number** 3521587

**Charity number** 1076235

# **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 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland." 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 26, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **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 parent charitable company's affairs as at 31 March 2016 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.

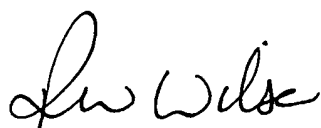
**Opinion on other matter prescribed by the Companies Act 2006**

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:

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



**Richard Wilson (Senior statutory auditor)**  
**for and on behalf of Ernst & Young LLP, Statutory Auditor**  
London

30 August 2016

## FINANCIAL STATEMENTS

### Consolidated Statement of Financial Activities

(including the income and expenditure account) for the year ended 31 March 2016

		Unrestricted funds	Restricted funds	Total	Total
		2016	2016	2016	2015
	Note	£'000	£'000	£'000	(re-stated) £'000
<b>Income and endowments from:</b>					
Donations and legacies	2	275	3,961	<b>4,236</b>	9,142
Other trading activities	3	112	-	<b>112</b>	126
Investments	4	26	-	<b>26</b>	41
<i>Income from charitable activities:</i>					
Grant funding for specific charitable activities	5	4,475	36,429	<b>40,904</b>	38,126
<b>Total income and endowments</b>		<b>4,888</b>	<b>40,390</b>	<b>45,278</b>	<b>47,435</b>
<b>Expenditure on:</b>					
Raising funds	6	(313)	(18)	<b>(331)</b>	(340)
<i>Charitable activities:</i>					
Changing lives through media and communication:					
Africa	6	(1,121)	(16,951)	<b>(18,072)</b>	(20,292)
Asia	6	(1,198)	(12,584)	<b>(13,782)</b>	(14,394)
Rest of World	6	(683)	(7,633)	<b>(8,316)</b>	(7,837)
Cross cutting activities	6	(225)	(3,227)	<b>(3,452)</b>	(4,044)
Total expenditure on charitable activities		(3,227)	(40,395)	<b>(43,622)</b>	(46,567)
<b>Total expenditure</b>	6	<b>(3,540)</b>	<b>(40,413)</b>	<b>(43,953)</b>	<b>(46,907)</b>
<b>Net income for the year</b>	7	<b>1,348</b>	<b>(23)</b>	<b>1,325</b>	528
<b>Reconciliation of funds</b>					
Total funds brought forward		5,165	57	<b>5,222</b>	4,694
<b>Total funds carried forward</b>	17, 18	<b>6,513</b>	<b>34</b>	<b>6,547</b>	<b>5,222</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 2015 comparison says "re-stated" to reflect the change in categorisations required for the charity accounting SORP 2015 which is applied in this annual report for the first time. The primary change is the recategorisation of governance expenditure across other expenditure categories. There is no change to the net income or funds figures in the 2015 comparative figures.

The notes on pages 34 to 50 form part of these financial statements.

**Consolidated and BBC Media Action Balance Sheets**  
*at 31 March 2016*

	<i>Note</i>	<b>Group 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2016 £'000</b>	<b>Charity 2015 £'000</b>
<b>Fixed assets</b>					
Tangible assets	10	-	-	-	-
Investments	11	-	-	23	23
		-	-	23	23
<b>Current assets</b>					
Debtors	12	7,202	5,683	7,546	5,593
Cash at bank and in hand	13	9,573	9,096	8,951	8,956
		16,775	14,779	16,497	14,549
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(9,825)	(9,244)	(9,570)	(9,037)
Net current assets		6,950	5,535	6,927	5,512
Total assets less current liabilities		6,950	5,535	6,950	5,535
Provisions for liabilities	15	(403)	(313)	(403)	(313)
<b>Net assets</b>		6,547	5,222	6,547	5,222
<b>Funds</b>					
Unrestricted funds	17,18	6,513	5,165	6,513	5,222
Restricted funds	17,18	34	57	34	-
<b>Total Funds</b>	17	6,547	5,222	6,547	5,222

The notes on pages 34 to 50 form part of these financial statements.

The financial statements on pages 31 to 50 were approved by the Board of Trustees on 30 August 2016.



Francesca Unsworth  
Chair



**Consolidated Cash Flow Statement**  
*for the year ended 31 March 2016*

	<i>Note</i>	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
Net cash inflow/ from operating activities	20	451	1,714
Returns on investments and servicing of finance			
Interest received		26	41
Financing activities			
Sale of tangible fixed assets		-	2
<b>Increase in cash in the year</b>		<b>477</b>	<b>1,757</b>
Cash at the start of the year	13	9,096	7,339
<b>Cash at the end of the year</b>	13	<b>9,573</b>	<b>9,096</b>

The notes on pages 34 to 50 form part of these financial statements.

## **Notes (forming part of the financial statements) for the year ended 31 March 2016**

### **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 Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 March 2016. The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2015.

The Financial Review in the Trustees Report reviews the finances of BBC Media Action and the group in the year ended 31 March 2016 in comparison to the prior and earlier years.

The BBC Media Action Group has a healthy cash balance as set out in note 13. 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 2016. For the purposes of complying with FRS 102 the entity is a public benefit entity.

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, 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 is incorporated 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, registered in England and Wales. 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) Income**

*Income from charitable activities* includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. To fall within this analysis heading, the activities specified by the contractual terms or grant conditions must be undertaken for the charitable purposes of the charity (paragraph 4.33 of SORP FRS 102). This income is usually subject to donor imposed conditions which specify the time period in which expenditure of resources can take place and so income is recognised in line with this.

These grants or contract income less the management fee (for indirect costs) are credited to restricted income within the SOFA, with unspent balances being carried forward to subsequent years within the relevant fund. Where funding allows a management fee to be earned the management fee is credited to unrestricted income within the SOFA. Specific debts are recognised where the charity can demonstrate entitlement to income greater than receipts to date.

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

*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.

Donations are recognised upon receipt. 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) Expenditure**

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.

*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 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 section 28 of FRS 102, 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. Where these contributions are reclaimable directly from donors they are charged to restricted funds, where they are not they are charged to unrestricted funds.

**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**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

**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

**m) Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. During the year there were no judgements or estimates which have had a significant effect on amounts recognised in the financial statements.

**2. Donations and legacies**

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

	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000	Total 2015 £'000
BBC Group	150	662	812	942
BBC Global News Limited*	-	987	987	776
Airtime/Media Space from various providers	-	1,685	1,685	6,530
Individuals / other*	125	627	752	894
	<u>275</u>	<u>3,961</u>	<u>4,236</u>	<u>9,142</u>

\*Restricted Income of £1,609,000 earned from Cash and Gift in Kind from the members of our Corporate Leaders Group

The majority of the BBC Group contribution relates to the gift in kind value of office facilities and office fit out and is based on actual cost to the BBC. From July 2015 BBC Media Action moved its head office out of BBC premises and therefore the value of this gift in kind will be substantially reduced in future years. The BBC Group figure also includes an unrestricted cash grant of £150,000 which reflects the value of programming that is provided to the BBC World Service by BBC Media Action.

The BBC Global News Limited contribution represents gift in kind commercial TV time and online advertising space for BBC Media Action content.

Airtime/Media space represents the gift in kind commercial value of broadcast slots provided by radio and TV broadcasters in Bangladesh and Nigeria and newspaper space in Bangladesh. This valuation is based on commercial rates as advertised by the broadcasters. The reduction in airtime gift in kind from the prior year reflects the high level of TV airtime received in relation to elections work in Nigeria in the year ended 31 March 2015.

**3. Other trading activities**

Other trading activities were derived from the following sources:

	2016 £'000	2015 £'000
Fundraising dinner and corporate partners	<u>112</u>	<u>126</u>
	<u>112</u>	<u>126</u>

**4. Investment income**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest receivable	<b>26</b>	<b>41</b>

**5. Income and grants from charitable activities:**

	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Grant funding for specific charitable activities:		
Africa	<b>15,678</b>	<b>14,059</b>
Asia	<b>13,119</b>	<b>12,906</b>
Rest of World	<b>6,906</b>	<b>7,116</b>
Cross cutting activities	<b>5,201</b>	<b>4,045</b>
	<b>40,904</b>	<b>38,126</b>

**6. Expenditure**

	<b>Direct project costs</b>	<b>Project staff costs</b>	<b>Allocation of support costs</b>	<b>Total</b>	<b>Total 2015 (re-stated)</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Raising funds:</i>					
Costs of generating voluntary income	172	-	22	<b>194</b>	180
Fundraising trading cost of goods sold and other costs	122	-	15	<b>137</b>	160
	<b>294</b>	<b>-</b>	<b>37</b>	<b>331</b>	<b>340</b>
<i>Charitable activities</i>					
Changing lives through media and communication					
Africa	9,804	6,243	2,025	<b>18,072</b>	<b>20,292</b>
Asia	7,086	4,791	1,905	<b>13,782</b>	<b>14,394</b>
Rest of World	5,599	1,592	1,125	<b>8,316</b>	<b>7,837</b>
Cross cutting activities	761	2,279	412	<b>3,452</b>	<b>4,044</b>
Total expenditure on charitable activities	<b>23,250</b>	<b>14,905</b>	<b>5,467</b>	<b>43,622</b>	<b>46,567</b>
Total resources expended	<b>23,544</b>	<b>14,905</b>	<b>5,504</b>	<b>43,953</b>	<b>46,907</b>

The support costs allocated and the basis of apportionment were:

<i>Support activity</i>	<i>Basis of apportionment</i>	<b>2016 £'000</b>	<b>2015 £'000</b>
Programme support	Specific allocation and pro-rata by direct project expenditure	<b>883</b>	1,031
General management	Pro-rata by direct project expenditure	<b>2,124</b>	2,620
Financial management	Pro-rata by direct project expenditure	<b>602</b>	734
Information technology	Pro-rata by direct project expenditure	<b>666</b>	903
Premises and facilities	Pro-rata by direct project expenditure	<b>1,229</b>	1,042
		<b><u>5,504</u></b>	<b><u>6,330</u></b>

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 £41,562,000 (2015: £44,201,000) and the net result is a surplus of £1,325,000 (2015: £528,000).

## 7. Notes to the SOFA

Net income for the year is stated after charging:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Amounts receivable by the company's auditor and its associates in respect of Audit of these financial statements	-	-
Amounts receivable by the company's auditor and its associates in respect of Audit of the financial statements of subsidiaries	<b>9</b>	<b>9</b>
	<b><u>9</u></b>	<b><u>9</u></b>
	<b>2016 £'000</b>	<b>2015 £'000</b>
Depreciation	-	23
(Gain) on disposal of fixed assets	-	(2)
Exchange rate (gain)/loss	<b>(172)</b>	116
Hire of other assets – operating leases	<b><u>1,786</u></b>	<b><u>1,329</u></b>

The audit fee of the company has been borne by the BBC.

## 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 £2,170 (2015: £3,286) during the year relates to the reimbursement of travel costs incurred while carrying out their duties for BBC Media Action. Expenses were paid to seven trustees (2015: five). Donations made by Trustees in the year totalled £51,750 (2015: £39,175). Trustees are provided with indemnity insurance as part of the BBC Group's Directors' and Officers' policy.

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

<b>Costs of staff are split out by:</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Wages and salaries	<b>14,635</b>	13,570
National insurance	<b>632</b>	664
Pension costs	<b>641</b>	695
Other staff costs	<b>84</b>	94
	<b><u>15,992</u></b>	<b><u>15,023</u></b>

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

	<b>2016</b>	<b>2015</b>
£60,000 - £69,999	6	5
£70,000 - £79,999	6	5
£80,000 - £89,999	1	1
£90,000 - £99,999	2	2

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefits schemes is 13 (2015:12). The senior management team who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £402,829 (2015 - £394,112).

The average number of employees on a headcount basis, analysed by function was:

	<b>2016</b>	<b>2015</b>
Programme activities (charitable):		
Asia	<b>377</b>	347
Africa	<b>394</b>	360
Rest of World	<b>56</b>	60
Cross cutting activities	<b>3</b>	2
Governance	<b>2</b>	2
	<b><u>832</u></b>	<b><u>771</u></b>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 174 (2015: 183). The number of staff, including part time staff, employed locally on overseas contracts was 658 (2015: 588) at a cost of £7,367,013 (2015: £6,202,823)

Total staff costs are split in Note 6 between staff costs directly attributable to activities and staff costs included within support costs and allocated to activities.



## 10. Tangible Fixed Assets

### Group and Charity

	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation			
At 1 April 2015	96	43	139
Disposals	(18)	-	(18)
At 31 March 2016	78	43	121
Depreciation			
At 1 April 2015	96	43	139
Disposals	(18)	-	(18)
At 31 March 2016	78	43	121
Net book value			
At 1 April 2015	-	-	-
At 31 March 2016	-	-	-

## 11. Fixed asset investment

	Charity 2016 £'000	Charity 2015 £'000
Investment in BBC Media Action (India) Limited		
Cost	55	55
Less: Cumulative impairment	(35)	(35)
Investment in BBC Media Action Nepal Pvt. Limited		
Cost	3	3
	23	23

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 (2015: £nil).

BBC Media Action Nepal Private Limited is an entity established in Nepal 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>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Total incoming resources	<b>3,716</b>	<b>3,234</b>
Total resources expended	<b>(3,716)</b>	<b>(3,234)</b>
Net incoming resources	<b>-</b>	<b>-</b>
Total funds brought forward	<b>21</b>	<b>21</b>
Total funds carried forward	<b>21</b>	<b>21</b>

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

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Fixed and current assets	<b>662</b>	<b>248</b>
Liabilities	<b>(641)</b>	<b>(227)</b>
Net assets / funds	<b>21</b>	<b>21</b>

**BBC Media Action Nepal Private Limited**

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

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Total incoming resources	<b>2</b>	<b>5</b>
Total resources expended	<b>(4)</b>	<b>(5)</b>
Net incoming resources	<b>(2)</b>	<b>-</b>
Total funds brought forward	<b>3</b>	<b>3</b>
Total funds carried forward	<b>1</b>	<b>3</b>

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

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Fixed and current assets	<b>1</b>	<b>3</b>
Liabilities	<b>-</b>	<b>-</b>
Net assets / funds	<b>1</b>	<b>3</b>

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

BBC Media Action has no investment in BBC World Service Trust India, however in accordance with paragraph 24.14 of SORP FRS 102 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>2016 £'000</b>	<b>2015 £'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>2016 £'000</b>	<b>2015 £'000</b>
Fixed and current assets	-	-
Liabilities	-	-
Net assets/funds	-	-

### **12. Debtors**

	<b>Group 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2016 £'000</b>	<b>Charity 2015 £'000</b>
Trade debtors	<b>2,049</b>	1,242	<b>2,049</b>	1,242
Amounts due from related undertakings	-	5	<b>383</b>	5
Other debtors	<b>468</b>	276	<b>432</b>	186
Prepayments	<b>711</b>	733	<b>708</b>	733
Accrued income (see note 16)	<b>3,974</b>	3,427	<b>3,974</b>	3,427
	<b>7,202</b>	5,683	<b>7,546</b>	5,593

All debtors fall due within one year.

### **13. Cash at bank and in hand**

	<b>Group 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2016 £'000</b>	<b>Charity 2015 £'000</b>
Cash held at bank in UK	<b>8,007</b>	7,618	<b>7,922</b>	7,597
Cash held at bank and in hand overseas	<b>1,566</b>	1,478	<b>1,029</b>	1,359
	<b>9,573</b>	9,096	<b>8,951</b>	8,956

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

	<b>Group 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2016 £'000</b>	<b>Charity 2015 £'000</b>
Trade creditors	<b>239</b>	321	<b>239</b>	321
Amounts due to subsidiary and related undertakings	<b>2,304</b>	2,225	<b>2,307</b>	2,243
Other creditors	<b>1,195</b>	938	<b>1,099</b>	846
Accruals	<b>874</b>	980	<b>712</b>	847
Deferred income (see note 16)	<b>5,213</b>	4,780	<b>5,213</b>	4,780
	<b>9,825</b>	9,244	<b>9,570</b>	9,037

#### 15. Provisions for liabilities

##### Charity and group

	<b>Overseas Employment Tax £'000</b>	<b>Project Costs £'000</b>	<b>Total £'000</b>
At 1 April 2015	28	285	<b>313</b>
Utilised during the year	-	(146)	<b>(146)</b>
Charge to SOFA for the year	23	252	<b>275</b>
Amounts released unused	-	(39)	<b>(39)</b>
At 31 March 2016	<b>51</b>	352	<b>403</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 2016. It is expected that the majority of these obligations will be paid during the year ending 31 March 2017.

## 16. Accrued and Deferred income

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. The most significant projects for which income was deferred and accrued are detailed below. In the year to 31 March 2016 the Group had 99 (2015: 75) active projects:

	Total Deferred Income	Total Accrued Income	Amount received and other movements	Released through the SOFA	Total Deferred Income	Total Accrued Income
	2015 £'000	2015 £'000	2016 £'000	2016 £'000	2016 £'000	2016 £'000
* DFID Global Grant	(1,128)	-	14,897	(14,700)	(931)	-
* BMB South Sudan Girls Education	-	276	826	(917)	-	185
* ActionAid Nigeria Deeping Democracy	(67)	-	588	(533)	(12)	-
* British Council SSPD	-	41	(24)	-	-	17
* Christian Aid Ethiopia BRACED	-	9	235	(201)	-	43
USAID/DAI: Myanmar: Tea Cup Diaries 2	-	-	295	(173)	-	122
EU ENPI Training	-	1,007	(1,068)	(32)	(93)	-
EU Med Media ENPI	-	180	1,725	(1,130)	-	775
EU Shaping the future of Syria's Media	(79)	-	365	(282)	-	4
EU Syria Radio Drama Project	-	-	(566)	(348)	(914)	-
+ FCO Libya News for all 2	(57)	-	203	(148)	(2)	-
+ FCO Libya (LANA)	-	33	(28)	-	-	5
+ FCO Pakistan Capacity Building	-	80	(87)	2	(5)	-
+ FCO Ukraine Drama	(25)	-	27	(13)	(11)	-
+ FCO Algeria Support PSB	-	1	77	(71)	-	7
+ FCO CSSF Mass Media & Comms Kenya	-	-	637	(514)	-	123
+ FCO: CSSF Community Cohesion Iraq	-	-	692	(563)	-	129
+ FCO: El Kul Libya	-	-	1,678	(1,329)	-	349
+ FCO: Strengthening PSB Tunisia	-	-	517	(351)	-	166
+ FCO: Supporting PSB Algeria	-	-	604	(415)	-	189
+ FCO: Syria HDRP SV Project	-	-	306	(175)	-	131
+ FCO: Ukraine Drama Year2	-	-	591	(453)	-	138
GATES Family Health in Nigeria	(741)	-	1,639	(943)	(45)	-
Gates India MCH	-	446	2,292	(2,885)	(147)	-
Gates - S Leone SMAC 2	(48)	-	127	(108)	(29)	-
Gates - India: National Scale Up Phase II	-	-	(225)	(150)	(374)	(1)
Gates - India: UP Demand Generation	-	16	(7)	(226)	(216)	(1)
Gates - India: WASH	-	-	13	(183)	(170)	-
* GOAL Sierra Leone Social Mobilisation Action	(46)	-	653	(583)	-	24
Iraq - Consolidation Media Freedoms	(322)	-	532	(525)	(315)	-
Norwegian Govt Ethiopia Air We Breathe	-	-	(430)	(86)	(516)	-
Norwegian Govt Life in Lulu 3	-	-	68	(110)	(42)	-
* Oxfam Kenya Wash	-	29	86	(254)	(140)	1
Plan (Dutch Embassy) Generation Breakthrough	(7)	-	190	(201)	(18)	-
SDC Tanzania Niambie	(127)	-	513	(482)	(96)	-
SIDA Zambia Radio Waves	(75)	-	344	(538)	(269)	-
SIDA Zambia Tikambe	(38)	-	756	(584)	-	134
Stability Fund Somalia Media Sector Dev	(35)	-	(5)	2	(38)	-
UNDP Cambodia Khlan9	-	112	821	(769)	-	164
UNFPA (USAID) Cambodia SRH project	-	44	415	(432)	-	27
UNICEF: Child Vaccination Afghanistan	-	-	309	(200)	-	109
University of Manitoba Bihar Scale-up	(819)	-	1,124	(296)	-	9
US State Dept Communication for Protection	-	102	105	(193)	-	14
USAID Nigeria Expanded social marketing project	-	85	1,124	(941)	-	268
USAID: Khaleena Nitfaham	-	-	276	(154)	-	122
Other Projects	(1,166)	966	7,808	(7,717)	(830)	721
<b>TOTAL</b>	<b>(4,780)</b>	<b>3,427</b>	<b>41,018</b>	<b>(40,904)</b>	<b>(5,213)</b>	<b>3,974</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 2015 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Balance at 31 March 2016 £'000
Unrestricted funds:					
Designated funds:					
Technology led change fund	319	-	(144)	300	475
Catalyst fund	88	111	(22)	-	177
Tangible fixed assets fund	-	-	-	-	-
Total designated funds	407	111	(166)	300	652
General funds	4,758	4,777	(3,374)	(300)	5,861
Total Unrestricted funds	5,165	4,888	(3,540)	-	6,513
Total Restricted funds	57	40,390	(40,413)	-	34
<b>Total Funds</b>	<b>5,222</b>	<b>45,278</b>	<b>(43,953)</b>	<b>-</b>	<b>6,547</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. A further £150,000 was added to the fund in 2014/15. In the current year there has been £144,000 expenditure relating to this fund and an additional £300,000 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 2015/16 £111,000 has been raised for the Catalyst Fund and there has been expenditure from the fund of £22,000.

The Tangible fixed asset fund at 31 March 2016 represents the net book value of BBC Media Action's tangible fixed assets.

At 31 March 2016 undesignated general funds of £5,861,000 were held (2015: £4,758,000).

The funds balances held at 31 March 2015 and 31 March 2016 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

	Net current assets	Provisions for liabilities	Total funds
Restricted funds	386	(352)	34
Unrestricted designated funds	652	-	652
Unrestricted general funds	5,912	(51)	5,861
<b>Total Funds at 31 March 2016</b>	<b>6,950</b>	<b>(403)</b>	<b>6,547</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 (registered number 2746733, charity number 1121665) 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 paragraph 24.14 of SORP FRS 102 is regarded as a subsidiary undertaking and has been consolidated in the consolidated financial statements as BBC Media Action has the right to appoint the majority of Trustees.

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

	2016 £'000	2015 £'000
Net income for the year	1,325	644
Depreciation	-	23
Investment income	(26)	(41)
Gain on sale of tangible fixed asset	-	(2)
Decrease/(increase) in debtors	(1,519)	117
(Decrease)/increase in creditors	581	1,002
Increase/(decrease) in provisions	90	(29)
<b>Cash inflow/(outflow) from operating activities</b>	<b>451</b>	<b>1,714</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 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2016 £'000</b>	<b>Charity 2015 £'000</b>
Within one year	<b>1,096</b>	597	<b>1,096</b>	325
In the second to fifth years inclusive	<b>168</b>	105	<b>168</b>	105
	<b>1,264</b>	702	<b>1,264</b>	430

### c) Operating Leases

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

	<b>Group 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2016 £'000</b>	<b>Charity 2015 £'000</b>
Land and buildings				
Operating leases which expire:				
Within one year	344	326	326	275
In the second to fifth years inclusive	571	450	571	451
	<b>915</b>	<b>776</b>	<b>897</b>	<b>726</b>

At 31 March 2016, total amounts payable in the future on non-cancellable operating leases were £2,259,998 relating to land and buildings (2015: £2,345,602).

On 18 July 2016 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 of the Company's 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 £2,054million 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 currently being performed as at 1 April 2016.

	Projection		
	2017	2016	2015
Contribution rates	%	%	%
Employer*	16.7	16.7	14.5
Employee (Old and New Benefits)	7.5	7.5	7.5
Employee (Career Average Benefits 2006)	4.0	4.0	4.0
Employee (Career Average Benefits 2011)	6.0	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% (2015: 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 £409,118 in the year (2015: £454,432).

The actuarial valuation was updated for FRS 17 purposes to 31 March 2016 by Willis Towers Watson, consulting actuaries. This valuation identified a deficit of £1,003.4 million in the scheme at 31 March 2016 (2015: £940.7 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).

## 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 £233,096 in the year (2015: £240,769).

## 23. Related party transactions

The following related party transactions occurred during the year:

	Services procured from related parties	Amounts owed from related parties £'000	Amounts owed to related parties £'000
<i>Other related parties</i>			
2016	579	3	2,304
2015	677	3	2,230

During the year, BBC Media Action procured some HR, IT and other support services of £578,508 (2015: £677,070) from the BBC.

Donations received from the BBC World Service, BBC Group and BBC Global News Limited are detailed in note 2.

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 2016 an amount of £3,470 (2015: £3,382) was owed by BBC Media Action USA, Inc. This amount is non-interest bearing and repayable on demand.

At 31 March 2016, an amount of £2,303,594 (2015: £2,225,000) was owing to the BBC Group. This amount owing is non-interest bearing and repayable on demand. At 31 March 2016 the amount BBC Worldwide owed to BBC Media Action was nil (2015: 5,283).

## 24. FRS 102 conversion

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 March 2016. The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2015.

The impact of the change was not material, with no impact on the net incoming resources. The 2015 comparative figures says "re-stated" to reflect the change in categorisations required as governance expenditure is allocated across other expenditure categories.