

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

**(Formerly BBC WST Limited)**

**Annual Report 2013/14**



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28/11/2014  
COMPANIES HOUSE

**Registered number: 2746733**

**Charity number: 1121665**

## **CONTENTS**

<b>OVERVIEW</b>	<b>3</b>
<b>BOARD OF TRUSTEES' REPORT</b>	<b>4</b>
<b>OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT</b>	<b>4</b>
<b>REVIEW OF 2013/14 OBJECTIVES</b>	<b>5</b>
<b>LOOKING AHEAD: OUR AIMS FOR 2014/15</b>	<b>8</b>
<b>FINANCIAL REVIEW</b>	<b>10</b>
<b>FINANCIAL POLICIES</b>	<b>10</b>
<b>OUR ORGANISATION</b>	<b>11</b>
<b>STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS</b>	<b>13</b>
<b>TRUSTEES AND ADVISORS</b>	<b>14</b>
<b>INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC MEDIA ACTION (INDIA) LIMITED</b>	<b>15</b>
<b>FINANCIAL STATEMENTS</b>	<b>17</b>

## **STRATEGIC REPORT & BOARD OF TRUSTEES' REPORT**

The Trustees are pleased to present their annual report and audited financial statements of BBC Media Action (India) Limited for the year ended 31 March 2014. The Trustees' report also contains the information required in a strategic report.

### **Overview**

BBC Media Action (India) Limited (company number 2746733) is a subsidiary company of BBC Media Action, the BBC's international development charity. BBC Media Action (India) Limited is a company limited by shares of which the sole member is BBC Media Action. BBC Media Action (India) Limited was awarded charitable status on 22 November 2007. BBC Media Action (India) Limited was known as BBC WST Limited until 12 September 2013.

BBC Media Action (India) Limited uses the power of media and communication to support people to shape their own lives. Working in partnership with broadcasters, government departments, non-governmental organisations and donors, we provide information, strengthen the capacity of the media and other actors, and stimulate positive change.

Modern India has made great progress in improving the health and well-being of its citizens but millions still live in poverty and face significant challenges accessing healthcare and understanding their rights. Natural and man-made disasters inflict terrible damage upon communities who are insufficiently prepared and lack the resources to deal with them.

In 2013/14, BBC Media Action (India) Limited focused on three priority themes: health, governance and rights, and building resilience, which we have established will have the greatest impact.

**Health:** Our largest programme, Shaping Demands and Practices, is a multimedia maternal and child health project in Bihar funded by the Bill & Melinda Gates Foundation that supports rural families by sharing life-saving health information across a variety of communication platforms. Activities include street theatre, listeners' clubs, and face-to-face interaction along with using basic – and widely available – mobile phones to boost the skills of health workers and improve services to rural communities. This experience has also informed our work on maternal and child health in the states of Odisha and Madhya Pradesh, funded by the UK Department for International Development.

**Governance and rights:** BBC Media Action's Google-funded project produces radio magazine programmes that employ drama and factual information to inform marginalised communities about their employment rights and prevent bonded labour.

**Resilience:** We responded to several tropical storms and cyclones this year through our Lifeline humanitarian response programming. Within 72 hours of Cyclone Phailin devastating large parts of eastern India, we worked with local stations and produced advertisements that gave information on

safe drinking water, the importance of hand washing and the dangers of flood waters. Evaluation findings showed that 80% of people interviewed were acting on the information they heard, or getting others in their community to act. One man commented: "We heard announcements on loudspeakers. They were talking about the various relief materials that will be distributed and about the medicines that will be supplied and all." In addition the Climate Asia project launched its research findings at a high profile event attended by Dr Rajendra Pachauri, chairman of the Intergovernmental Panel on Climate Change, whose comment piece featured in The Indian Express.

## **BOARD OF TRUSTEES' REPORT**

The Trustees present their Trustees' report and financial statements for the year ended 31 March 2014.

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

**The objects of BBC Media Action (India) Limited 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; and,
- informing 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 the production and broadcasting and other dissemination of educational programming on film, radio and television, and the publication of other educational material for the benefit of the public.

**BBC Media Action (India) Limited carries out these objects by:**

Delivering projects that transform lives through media – using media and communication to help reduce poverty and support people in understanding their rights. Our projects use radio, television and new media to reach target audiences and employ drama, debate, current affairs programming, public service announcements, social media and mobile phones to reach development objectives. We also train journalists and health practitioners.

Working in alliance with others towards our mission, BBC Media Action (India) Limited works with other development actors, with the British and international development community, and with academic institutions in India and internationally to explore the role of media from a policy perspective.

BBC Media Action (India) Limited also works with civil society organisations, local media organisations, state and central government and the private sector.

Our approach to gender is cross-cutting and encompasses all areas of our work, reflecting both how we champion diversity and equality as an employer, and integrate it into our work. Across our thematic areas we aim to be inclusive and seek to be aware of gender and diversity and to design and implement our strategies accordingly to reach beneficiaries across India.

The beneficiaries of our work are the audiences who hear, watch or interact with our radio, television and mobile phone, online and social media outputs. They also include audiences who join our outreach activities such as street theatre, and journalists and others who are recipients of training and mentoring. In most cases people receive our services without charge. Occasionally we charge for a service to set it up so that it continues and is sustainable beyond the life of the project.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of BBC Media Action (India) Limited and in planning future activities. BBC Media Action (India) Limited is committed to strengthening the media in developing countries and using media and communications to reduce poverty and promote human rights globally.

## **REVIEW OF 2013/14 OBJECTIVES**

At BBC Media Action (India) Limited, we continued to follow the BBC Media Action operational plan *What We Will Do And How We Will Work – 2012-2015*. In line with this plan, over the year BBC Media Action (India) Limited has focused on three objectives:

### **Impact**

*Aim: To deliver our projects effectively with all programmes increasing reach as planned.*

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

- Our maternal and child health project in the state of Bihar, *Shaping Demands and Practices*, extended to three additional districts and plans are in place to extend the project further by the end of 2015. This project has three main components. The first is *Mobile Kunji* ("Guide" or "Key" in Hindi), an on-demand mobile phone service used by pregnant women and those with children up to two years old to get advice on a range of topics. The second, *Mobile Academy*, is a training course for community health workers, also accessed through mobile phones. The third uses mass media, such as TV advertising, and community engagement, for example street theatre and

listener clubs, to engage and inform families about critical health issues. The *Mobile Kunji* element of the project now has 166,000 unique users and Mobile Academy has provided over six million minutes of training content. Over 50% of the frontline health workers trained have completed our Mobile Academy training and have received certificates of completion. One health worker said: "Only when I started using the *Mobile Kunji* did people begin to take me more seriously. Just recently, when a family told me about the premature delivery of their newborn, and that the baby was very weak, I instantly shared the information from the *Mobile Kunji* and played the message from Dr Anita on my mobile. The newborn is now recovering well."

- When Cyclone Phailin devastated large parts of eastern India, staff in Delhi and Odisha produced advertisements containing practical information within 72 hours. Local knowledge, government links, and partner networks were crucial to effective delivery. Twenty follow-up magazine programmes were produced in partnership with four community radio stations.
- Our bonded labour project team produced 52 radio magazine programmes that were used to encourage participation and raise awareness of rights issues in listeners' villages in Madhya Pradesh, Chhatisgarh and Jharkhand states. Three training workshops on bonded labour were held for journalists at which NGO partners were also trained to work closely with the media. District government officials came face-to-face with listeners who raised issues at five dialogue meetings. During a visit to a tribal settlement in Korba District a journalist from our workshops was shocked to discover extremely malnourished people being paid £10 for a year's work. He published a story about their exploitation and poor living conditions and the district magistrate responded, supplying clean water to the area and opening a shop so that people could access better food.

## **Income**

**Aim:** *To secure funding to support the delivery of projects and to increase financial security of BBC Media Action (India) Limited.*

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

- We secured and received income according to plan. This included ongoing support from the Bill & Melinda Gates Foundation, DFID and the Google Foundation.
- We developed new projects so that income from other sources is being promised as expected and a good pipeline is developed for future years.

- The *Chaar Gaanth* (Four Knots) TV advertisement on birth preparedness was broadcast nationally starting on 23 March 2014, leveraging approximately Rs 63 million (around £630,000) in funding from the Indian government's National Health Mission. Broadcasts continued for four weeks.

## **Innovation**

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

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

- BBC Media Action held IGNITE, its first creative workshop in Delhi, bringing together BBC Media Action staff from Nepal, Cambodia, Afghanistan, Burma and India for three days of brainstorming, learning and sharing with internal and external speakers.
- IGNITE was followed by NEEDLE, a one-day communication conference. Speakers included representatives from the advertising and television industries, strategists and media planners, development communication specialists, the UN and the government. BBC Media Action's policy briefing *Health on the move*, featuring our *Shaping Demands and Practices* project in Bihar, was also launched.
- Our SDP project won four awards during the year:
  - The mBillionth and Vodafone Mobile for Good for *Mobile Kunji* and Mobile Academy.
  - The mHealth Alliance Collaboration Award to the Ananya partnership (funded by Bill & Melinda Gates Foundation to reduce child mortality, improve maternal health and reduce infectious diseases in Bihar, of which the SDP project is a part) at the mHealth Summit in Washington, DC.
  - The Laadli Media and Advertising Award for Gender Sensitivity for our radio program *Khirki Mehendiwali*.
  - Mobile Academy was included in the inaugural Nominet Trust NT100 list of the world's most inspiring digital services.

Work has started with the Government of India to support nationwide adoption of innovative mHealth services – Mobile Kunji, Mobile Academy and Kilkari.

- Our radio drama *Khirki Mehendiwali* (Mehendi Opens a Window) continued to share important health messages and to attract a very loyal audience. When BBC Media Action chair Peter Horrocks, visited the project he said: "I've met audiences of BBC programmes in the UK and many

parts of the world. But never have I met a group for whom a BBC programme inspired so much discussion as the women of the village of Vyapur in Bihar state in northern India."

## **Integration**

**Aim:** *To build the partnerships that are essential to our work, including with other NGOs, the media and government, as well as to promote the purpose and work of BBC Media Action across the BBC and encourage collaboration more widely.*

- BBC Media Action's Climate Asia project is the Asia region's largest ever qualitative and quantitative study of people's experiences of climate change. In India, the project's researchers interviewed over 8,000 people in five states and the city of Mumbai. After two years of analysis, the findings were launched on the Climate Asia data portal, [www.bbc.co.uk/climateasia](http://www.bbc.co.uk/climateasia). In addition, the India Climate Asia Report was launched in September 2013 at an event attended by senior figures from media, academia and intergovernmental organisations.
- BBC Media Action India implemented a project funded by the Bill & Melinda Gates Foundation (via Save the Children) to help launch a high-profile maternal and child health campaign in India's most populous state, Uttar Pradesh. A special campaign song, *Hausla*, (Courage) was commissioned and recorded, along with public service advertisements and outreach materials.
- We trained community radio station staff to produce humanitarian "lifeline" programmes. We also trained staff from other non-governmental organisations to use SMS messages more effectively in lifeline programming, including representatives from Save the Children, CARE, DFID and ActionAid.

## **LOOKING AHEAD: OUR AIMS FOR 2014/15**

In the coming year, BBC Media Action (India) Limited will continue focus on the following three objectives:

**I. Aim:** *We will effectively deliver our portfolio of work and increase our influence.*

### **How we will do it:**

- We will continue to ensure that all our broadcast outputs are of high editorial quality and appropriate to the audiences and context in which they are used.



- We will design and deliver all our projects effectively so that they achieve impact against the agreed objectives of each project and are compliant with all donor, state and national government, and organisational requirements.
  - We will continue to implement the intellectual framework and mechanisms to measure the impact of our work and use the information both to enhance the quality of our outputs and to share these findings with the sector.
  - We will prioritise long-term mentoring, support and partnerships.
2. *Aim: We will play a leading role in the sector, making the case for media and communication in development. We will secure funding to support our work and ensure that we provide value for money.*

**How we will do it:**

- We will deliver overall BBC Media Action (India) Limited income and expenditure as budgeted with added emphasis on achieving more for less and value for money.
  - We will contribute to a score of A+ or above for the third year of the Global Grant reflecting growth in evidence and the impact of work delivered.
  - We will effectively raise and spend non-Global Grant sourced funding to enable draw down of the Global Grant through the remainder of the grant period.
  - We will contribute to the securing of a sizeable new grant from the UK's Department for International Development to be implemented from 2016.
  - We will continue to develop key strategic funding relationships, continuing to develop our relationship with The Bill & Melinda Gates Foundation at programmatic and at policy level.
3. *Aim: We will ensure we are creative, flexible and able to apply the best new ideas and technologies to our work. We will learn from our technologically innovative projects (and from others in the sector and beyond), and apply that learning where appropriate across our work.*

**How we will do it:**

- We will continue to make significant progress in our use of mobile technology.
- We will continue to improve our systems and support to our teams so that learning from key programmes is shared effectively, both internally and externally.
- We will seek opportunities to partner with and learn from development innovators, production specialists, social entrepreneurs, and the very best of media practitioners, to strengthen the shape and impact of our own work.

## **FINANCIAL REVIEW**

The income and expenditure account for the year ended 31 March 2014 shows a breakeven result (2013: breakeven). Total income was £5,030,177 compared to £5,933,666 in 2013. Total expenditure was £5,030,177 (2013: £5,933,666) of which 99.8% (2013: 99.8%) was spent on charitable activities.

The principal funding sources and the cause of the growth in income and expenditure from the prior year were: the Bill and Melinda Gates Foundation and the Department for International Development (DfID).

The balance sheet at 31 March 2014 had net assets of £20,771 (2012: £20,771).

## **FINANCIAL POLICIES**

### **Reserves**

During the year the Board of Trustees reviewed the reserves policy. The review was carried out in the context of the review of risks and opportunities for BBC Media Action (India) Limited. At 31 March 2014 unrestricted reserves, which are all considered to be free reserves, were £20,771 (2012: £20,771). The Board of Trustees considers that the level of unrestricted reserves, and therefore of free reserves, are at a reasonable level in the context of BBC Media Action (India) Limited's legal structure, the financial support of its parent, BBC Media Action, described in the 'Going concern' section below, the financial risks faced by BBC Media Action (India) Limited, the stability, levels and types of future income and the impact of future plans and commitments. The Board of Trustees considers that the reserves should be maintained at this target level. The reserves policy is reviewed by the Board of Trustees on an annual basis.

### **Going concern**

On 18 July 2014 the Board of Trustees of BBC Media Action (India) Limited received confirmation from the Board of Trustees of its parent, BBC Media Action, that BBC Media Action would provide financial support to BBC Media Action (India) Limited, if the need should arise, in order for BBC Media Action (India) Limited to continue as a going concern.

The Board of Trustees of BBC Media Action (India) Limited is of the opinion that BBC Media Action (India) Limited has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees have identified no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern as is further explained in Note 1 of the financial statements.

## **OUR ORGANISATION**

### **Staff and volunteers**

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2013/14 BBC Media Action (India) Limited employed an average of 88 staff.

The philosophy of the BBC Media Action (India) Limited is about empowerment and helping to develop local skills, so that our work can be sustained long term, long after our own in-country projects may have concluded. As a consequence, wherever possible we recruit staff from the location where we operate. The BBC Media Action (India) Limited team is predominantly Indian, and during 2013/2014 we had only two expatriate members of staff.

### **Legal structure**

BBC Media Action (India) Limited (company number 2746733) is a company limited by shares of which the sole member is BBC Media Action. Its governing documents are a Memorandum and Articles of Association. BBC Media Action (India) Limited was awarded charitable status on 22 November 2007. In March 2007 the Reserve Bank of India granted BBC Media Action (India) Limited branch office status. The financial statements are filed annually with the Registrar of Companies.

Until 12 September 2013, BBC Media Action (India) Limited was known as BBC WST Limited.

### **Subsidiary companies**

BBC Media Action (India) Limited has a subsidiary company, BBC MPM Inform, which is 100% owned by BBC Media Action (India) Limited. The BBC MPM Inform did not trade during the current or prior year.

### **Governance**

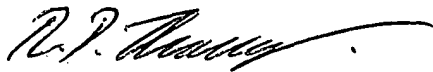
Trustees are recruited and appointed after consultation with the Board of Trustees of BBC Media Action. All Trustees of BBC Media Action (India) Limited are currently also Trustees of BBC Media Action. The induction for Trustees to outline our work in the context of their responsibilities in relation to BBC Media Action (India) Limited takes place at the same time as the induction for BBC Media Action. Regular knowledge sharing sessions provide Trustees with the opportunity to gain up to date information on particular issues as part of ongoing training.

The Board of Trustees confirms that a risk review was carried out in the year and confirms that the Trustees consider the controls in place sufficient to mitigate key risks. The risk register is reviewed by Trustees on an annual basis. The Finance and Audit Committee of BBC Media Action reviews the issues of the consolidated group as a whole, which includes BBC Media Action (India) Limited. BBC Media Action (India) Limited audit committee formally meets once a year to review the accounts.

**Disclosure of information to auditors**

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

Approved by the Board of Trustees on 5 November 2014 and signed on its behalf by:



Richard Thomas, Chair

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

The Trustees are responsible for preparing the Trustees' Annual Report (incorporating the Strategic Report and the Director's 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 are required to prepare the 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 charitable company and of the excess of income over expenditure for that period. In preparing these 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 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 the 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 charitable company and to prevent and detect fraud and other irregularities.

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

## **TRUSTEES AND ADVISORS**

Richard Thomas (Chair)\*

Michael C. McCulloch\*

\*Member of the Audit Committee

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

### **Auditors**

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

### **Bankers**

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

### **Registered Office**

Broadcasting House, Portland Place, London W1A 1AA

BBC Media Action (India) Limited is a company limited by shares with company registration number 2746733 and registered charity number 1121665

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC MEDIA ACTION (INDIA) LIMITED**

We have audited the financial statements of BBC Media Action (India) Limited for the year ended 31 March 2014 set out on pages 17 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees Responsibilities set out on page 13, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and

- have been prepared in accordance with the Companies Act 2006.

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

In our opinion the information in the Trustees' Annual Report (which constitutes the Strategic Report and the Director's Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

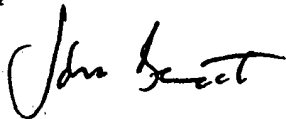
**Matters on which we are required to report by exception**

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

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

**John Bennett (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**



Chartered Accountants  
15 Canada Square  
London E14 5GL

8 11 November 2014



## BBC Media Action (India) Limited Statement of Financial Activities

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

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Total 2014 £	Total 2014 £
<b>Incoming resources</b>					
<i>Incoming resources from charitable activities:</i>					
Grant funding for specific charitable activities	2	190,494	4,839,683	5,030,177	5,933,666
<b>Total incoming resources</b>		<b>190,494</b>	<b>4,839,683</b>	<b>5,030,177</b>	<b>5,933,666</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
Changing lives through media and communication	3	(190,494)	(4,832,076)	(5,022,570)	(5,924,413)
Total charitable activities		(190,494)	(4,832,076)	(5,022,570)	(5,924,413)
<i>Governance costs</i>	3	-	(7,607)	(7,607)	(9,253)
<b>Total resources expended</b>	3	<b>(190,494)</b>	<b>(4,839,683)</b>	<b>(5,030,177)</b>	<b>(5,933,666)</b>
<b>Net income for the year</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		20,771	-	20,771	20,771
<b>Total funds carried forward</b>	12	<b>20,771</b>	<b>-</b>	<b>20,771</b>	<b>20,771</b>

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

The notes on pages 19 to 26 form part of these financial statements.

## BBC Media Action (India) Limited Balance Sheet

at 31 March 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Investments	7	-	-
<b>Current assets</b>			
Debtors	8	1,599,423	2,682,888
Cash at bank and in hand		40,709	58,864
		<u>1,640,132</u>	<u>2,741,752</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<u>(1,619,361)</u>	<u>(2,720,981)</u>
Net current assets		20,771	20,771
<b>Net assets</b>		<u>20,771</u>	<u>20,771</u>
<b>Funds</b>			
Share capital	11	3	3
Unrestricted funds		20,768	20,768
<b>Total funds</b>	12	<u>20,771</u>	<u>20,771</u>

The notes on pages 19 to 26 form part of these financial statements.

These financial statements on pages 17 to 26 were approved by the Board of Trustees on 5 November 2014 and were signed on its behalf by:



Richard Thomas  
 Chair

## **Notes** (forming part of the financial statements)

### **1 Accounting policies**

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

#### ***a) Basis of preparation***

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

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

The Financial Review in the Trustees Report reviews the finances of BBC Media Action (India) Limited in the year ended 31 March 2014 in comparison to the prior year. The cash balance is set out in the balance sheet.

The company shares banking arrangements with its parent BBC Media Action. The Trustees, having received confirmation of financial support from BBC Media Action (as described in the 'Going concern' section of the Trustees Report), have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BBC Media Action (India) Limited to continue as a going concern.

On the basis of their assessment of the company's financial position and the enquiries made of the Board of Trustees of BBC Media Action, the company's trustees have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### ***b) Fund accounting***

The charity 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.

##### ***Change to charity status***

The reserves of the BBC Media Action (India) Limited at the time of the change to a charity on 22 November 2007 have been treated as unrestricted funds. Any tax liabilities at the time of the change are included in these reserves.

#### ***c) Incoming resources***

All incoming resources are included in the statement of financial activities (SOFA) when the charity is legally entitled to them, it is reasonably sure of receipt and the amount can be measured with sufficient reliability.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

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

#### **d) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the categories: charitable activities and governance.

#### **e) Foreign currency**

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

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

#### **g) Subsidiary undertaking**

The company owns 100% of BBC MPM Inform, a close joint stock company registered in Russia. The financial statements of BBC MPM Inform have not been consolidated with those of the company as the company is exempt under the small companies regime from the requirement to prepare consolidated financial statements in accordance with the Companies Act 2006.

BBC MPM Inform did not trade in the current or prior years. Investments in subsidiary undertakings are stated at cost less amounts written off.

#### **h) Cash flow statement**

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement as a consolidated cash flow statement is produced by the parent company, BBC Media Action.

## Notes (continued)

### 1 Accounting policies (continued)

#### i) 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

#### j) Taxation

BBC Media Action (India) Limited 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 BBC Media Action (India) Limited 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.

#### k) Leases

##### Operating Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

### 2 Incoming resources

	Total 2014	Total 2013
	£	£
<i>Grant funding for specific charitable activities</i>		
Bill and Melinda Gates Foundation	2,973,989	3,770,420
Department for International Development	1,426,606	1,495,211
Public Health Foundation India	215,640	411,962
Other grants	413,942	256,073
	<b>5,030,177</b>	<b>5,933,666</b>

### 3 Resources expended

	Direct project costs	Project staff costs	Allocation of support costs	Total 2014	Total 2013
	2014	2014	2014	2014	2013
	£	£	£	£	£
Changing lives through media and communication	3,892,868	939,208	190,494	5,022,570	5,924,413
Governance	7,607	-	-	7,607	9,253
<b>Total resources expended</b>	<b>3,900,475</b>	<b>939,208</b>	<b>190,494</b>	<b>5,030,177</b>	<b>5,933,666</b>

**Notes** *(continued)*

**3 Resources expended** *(continued)*

Governance costs relate to audit fees. Support costs are allocated on an apportionment basis calculated as the combination of direct project costs and project staff costs for the project in relation to the combination of direct project costs and project staff costs for all projects. Project staff costs include staff charged to projects from the parent BBC Media Action.

	<b>Total 2014</b>	<b>Total 2013</b>
	£	£
<i>Support activity</i>		
Programme support	<b>44,359</b>	78,930
General management	<b>84,328</b>	130,977
Financial management	<b>20,758</b>	40,846
Information technology	<b>17,700</b>	29,347
Premises and facilities	<b>23,349</b>	44,729
	<b>190,494</b>	<b>324,829</b>
	<b>2014</b>	<b>2013</b>
	£	£

Amounts receivable by the company's auditor and its associates in respect of Audit of the financial statements of India branch office

<b>7,607</b>	<b>9,253</b>
<b>7,607</b>	<b>9,253</b>

In 2013 and 2014, auditor's remuneration of BBC Media Action (India) Limited was borne by another group charitable company. The portion of the audit fee relating to the BBC Media Action (India) Limited was £3,000 (2013: £3,000).

**4 Notes to the SOFA**

Net income for the year is stated after charging:

	<b>2014</b>	<b>2013</b>
	£	£
Hire of other assets - operating leases	<b>166,561</b>	<b>111,703</b>

**5 Trustees and employees**

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) received no remuneration for their services in the current or prior year. No trustees' expenses were paid (2013: £nil).

Staff costs referred to in note 6 are either incurred in the form of payments to the BBC for these staff members or payments made internationally by project based payrolls.

**Notes** (continued)

**6 Staff costs**

	2014	2013
	£	£
Costs of staff are split out by:		
Wages and salaries	924,985	850,201
National insurance	6,704	6,063
Pension costs	7,519	7,456
	<u>939,208</u>	<u>863,720</u>

There were no employees with emoluments of £60,000 and over.

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

	2014	2013
Programme activities (charitable)	88	64
	<u>88</u>	<u>64</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 2 (2013: 2). The number of staff employed locally on overseas contracts was 86 (2013: 62) at a cost of £802,306 (2013: £692,331).

**7 Fixed asset investment**

	2014	2013
	£	£
Investment in BBC MPM Inform: cost	2,985	2,985
Less: provision for diminution in value	(2,985)	(2,985)
	<u>-</u>	<u>-</u>

BBC MPM Inform, which is a 100% owned subsidiary incorporated in Russia, has not been consolidated in the charitable company's financial statements.

The aggregate amount of the capital and reserves of BBC MPM Inform was £nil (2013: £nil) at 31 March 2014. The company has not traded in the current or prior financial years.

**8 Debtors**

	2014	2013
	£	£
Amounts due from BBC Media Action	1,357,437	2,391,940
Other debtors and prepayments	227,803	288,341
Accrued Income (note 10)	14,183	2,607
	<u>1,599,423</u>	<u>2,682,888</u>

**Notes** (continued)

**9 Creditors: amounts falling due within one year**

	2014 £	2013 £
Other creditors	223,584	283,886
Accruals	135,538	104,817
Deferred Income (note 10)	1,260,239	2,332,278
	<u>1,619,361</u>	<u>2,720,981</u>

**10 Accrued and deferred income**

	Total deferred income 2013 £	Total accrued income 2013 £	Amount received and other movements 2014 £	Released through the SOFA 2014 £	Total deferred income 2014 £	Total accrued income 2014 £
Charitable activities	(2,332,278)	2,607	(3,946,562)	5,030,177	(1,260,239)	14,183

Accrued and deferred income relates to specific projects where there is a timing difference between the entitlement to income and the receipt of income. This is accounted for as per the accounting policy in note 1c on incoming resources.

**11 Share capital**

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

BBC Media Action (India) Limited was awarded charity status on 22 November 2007. Company law requires share capital to be shown separately in the balance sheet. The share capital forms part of the unrestricted funds of the charity.

**12 Funds analysis**

	Restricted Funds £	Unrestricted Funds £	Total £
Balance at 1 April 2013	-	20,771	20,771
Incoming resources	4,839,683	190,494	5,030,177
Outgoing resources	(4,839,683)	(190,494)	(5,030,177)
<b>Balance at 31 March 2014</b>	<u>-</u>	<u>20,771</u>	<u>20,771</u>



**Notes** (continued)

**13 Commitments**

**a) Capital**

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

**b) Financial**

BBC Media Action (India) Limited 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:

	2014 £	2013 £
Sub-grants which expire:		
Within one year	425,225	344,076
In the second to fifth years inclusive	294,690	633,303
	<u>719,915</u>	<u>977,379</u>

**c) Operating Leases**

Annual commitments under non-cancellable operating leases are as follows:

	2014 £	2013 £
Land and buildings		
Operating leases which expire:		
Within one year	44,872	34,489
In the second to fifth years inclusive	-	11,900
Over five years	-	-
	<u>44,872</u>	<u>46,389</u>

At 31 March 2014, total amounts payable in the future on non-cancellable operating leases were £44,872 relating to land and buildings (2013: £46,389).

BBC Media Action (India) Limited 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 (India) Limited's financial position, changes in net assets or cashflow.

**14 Ultimate parent company**

The ultimate parent undertaking, ultimate controlling party and parent of the only group in which the results of the charity are consolidated is BBC Media Action (formerly The BBC World Service Trust), a charitable company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales.

Copies of the financial statements for BBC Media Action can be obtained from BBC Media Action, Media Centre, 201 Wood Lane, London W12 7TQ.

**Notes** *(continued)*

**15 Related party transactions**

During the year, the BBC Media Action received all monies on behalf of BBC Media Action (India) Limited (2013: same). At 31 March 2014, an amount of £1,357,437 (2013: £2,391,940) was owed by the BBC Media Action to BBC Media Action (India) Limited.

**16 Pension costs**

BBC Media Action (India) Limited, 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 (India) Limited to the scheme and the costs amounted to £7,519 in the year (2013: £7,456). At 31 March 2014, no contributions had been prepaid (2013: nil).

The actuarial valuation was updated for FRS 17 purposes to 31 March 2014 by Towers Watson consulting actuaries. This valuation identified a deficit of £1,508.5million in the scheme at 31 March 2014 (2013: £1,710 million). Additional disclosure about the scheme and its financial position under IAS 19, which as a result of options taken by the BBC Group is equivalent to FRS 17, is provided in the BBC Annual Report and Accounts that can be obtained from [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).