

**CHARITY PROJECTS  
ANNUAL REPORT AND  
ACCOUNTS 2018-19**

## Charity Projects Group

Website: [www.comicrelief.com](http://www.comicrelief.com)



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# WELCOME TO COMIC RELIEF

"We are committed to our vision of a just world free from poverty.

We achieve this by being entertaining, engaging and accelerating change.

We are a creative agency for social change.

We invest in projects which focus on four of the biggest issues of our time."

## Meet our trustees

Our Trustees are the people who share ultimate responsibility for governing and running Charity Projects (aka Comic Relief). During 2018/19 the Trustees were: Tim Davie (Chair), Richard Curtis CBE, Suzi Aplin, Dr Sue Black, Harry Cayton CBE, Tristia Harrison, Michael Harris (Treasurer), Jenny Hodgson, Colin Howes, Matt Hyde, Saul Klein, Charlotte Moar, Rupert Morley, Tessy Ojo, Jacqueline Onalo, Gautam Raju, Alexandra Reid, Tom Shropshire.



Trustees pictured above, from left to right: Rupert Morley, Sue Black, Jenny Hodgson, Alex Reid, Colin Howes, Michael Harris, Tessy Ojo, Richard Curtis, Tom Shropshire, Gautam Raju, Tim Davie, and Tristia Harrison.

## CHIEF EXECUTIVE'S REPORT

Hello, I'm Liz, the CEO of Comic Relief.

It's been another action packed and fruitful 12 months and I'm exceptionally proud of how far we've come in an incredibly challenging climate for charities.

In March, we came together for a brilliant Red Nose Day. Amid intense media pressure, our campaigns across the year raised over £70 million. As well as a 24-hour Danceathon, a new group of celebrities returned to Kilimanjaro ten years on and we launched our online Prizeathon. We couldn't have done Red Nose Day without incredible support of schools and the public who came out in force to support us. We attracted top comedy talent for a polished night of entertainment on the BBC from a Bodyguard special, Mamma Mia! Here We Go Yet Again and a sequel to Four Weddings and a Funeral.

We also had other primetime programmes create special editions including a comedy version of University Challenge and a celebrity special of The Apprentice. Our Night of TV was hosted by an incredibly diverse line-up of presenters including Romesh Ranganathan, Lenny Henry and Alesha Dixon to name just a few.

We've been making changes to the way we make our appeal films. The changes started before Red Nose Day 2019 and we're continuing to shift the tone and approach ahead of Sport Relief 2020. This change brings its own challenges, but we're committed to telling stories to better represent the work we fund. We're still listening and learning, but so far, the response to the changes we've made has been good.

And this year we had a greater focus on UK projects - a film on UK food poverty by Lenny Henry opened our Night of TV to help highlight the issue while also raising awareness that our funding aim is to split equally between UK and abroad.

We also introduced a new range of ethical merchandise, in collaboration with our partners TK Maxx and Disney which sold better than ever before. Good news for us because we raised more funds, and for the Ugandan farmers who supplied the organic cotton.

This year also saw the introduction of year round regular giving, as well as bringing the charity back to its comedy roots. We did this with a huge live show at Wembley Arena, a stand-up gig celebrating new talent at the Edinburgh Fringe Festival and now we're starting a regular monthly comedy club.


Lenny Henry had a big birthday, so we made sure we celebrated in style bringing comedy talent together to celebrate the 30 plus years of his life he has dedicated to the charity.

Behind the scenes, we're continuing to hone how we spend the funds raised. We believe that by focussing on fewer projects we can have increased impact.

We use our creative skills here to bring about social change, we're always looking for innovative ways to make the biggest change in the world.

I'm confident at the end of this year when I move on, I'll be leaving a more dynamic, more digitally focused and flexible organisation that's prepared to face the future. It's been an absolute privilege to lead this incredibly creative charity, work with a wonderful mission driven team and meet the people being helped by the projects we fund.

If you'd like to find out more about the last year and our plans for the future, you'll find lots more detail in our 2018-19 annual report.

A handwritten signature in black ink, appearing to read 'Liz Warner', with a stylized, flowing script.

Liz Warner

CEO

## CHAIR'S REPORT

We're celebrating a great year. The trustees and I want to say thank you, and we are beaming with pride at the achievements of the whole Comic Relief team.

The highlight is the progress made towards our vision of a just world free from poverty through the funds that we deliver to great causes. And, of course, reaching an audience to entertain, engage, and accelerate change. Our funding to organisations was over £70m, and our night of TV reached an average peak audience of 5.8m viewers.

Looking ahead, more than ever, we're conscious of the impact our activities have on the environment. So, we're reducing our use of plastic and maintaining our focus on ethical sourcing.

We've already held events for the next fundraising year, including Race to the Stones and the Celebrity Netball at the World Cup. More events are on the way along with our flagship Sport Relief TV event in March. We'd love to tell you about them but it's all too secret! Seek us out on social media for more news.

The other big news here is the appointment of a new CEO as Liz Warner steps down after three years.

I'm delighted that Alex Reid has accepted the role of CEO.

As we move into the fourth year of our five-year plan, Alex will be working with our executives and their teams to roll out a whole range of new initiatives, including revamped Red Nose Day plans, more flexible funding for projects and smarter use of technology.

Finally, I'd like to say a heartfelt thanks to Liz. Her unwavering commitment and boundless energy have meant we've come a long way, and I feel Comic Relief is better placed than ever to keep transforming lives across the world.


Also my personal thanks to all the wonderful staff, our outstanding Trustees and the thousands of people who have supported us.

If you want to find out more, do take a look at our Annual report.

Thank you

Tim Davie

Chair

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name 'Tim Davie'.



# HOW COMIC RELIEF WORKS AND OUR STRATEGY:

## How Comic Relief works

In determining our social change strategies and the general administration of the charity, the Trustees pay due regard to the guidance of the Charity Commission, particularly in relation to public benefit. At Comic Relief we seek to spend money effectively and professionally. The money we raise is typically allocated over a two-year period through a series of funding rounds or 'funding calls'<sup>1</sup>. Awards from these funding calls to partners last for between one and five years. We have rigorous systems to make sure it is funding projects that will make a significant difference in the UK and in some of the world's poorest communities. While we are working to allocate money, the funds are held in carefully chosen investments, in line with our Investment approach, which can be seen on page 37. The return on these investments goes towards paying the costs of Comic Relief's fundraising campaigns and other running costs.

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<sup>1</sup> Funding calls are where we offer different types of funding (or investments) categorised under our four challenges for organisations to apply for to deliver services to those in need.

# STRATEGIC REPORT: INTRODUCTION

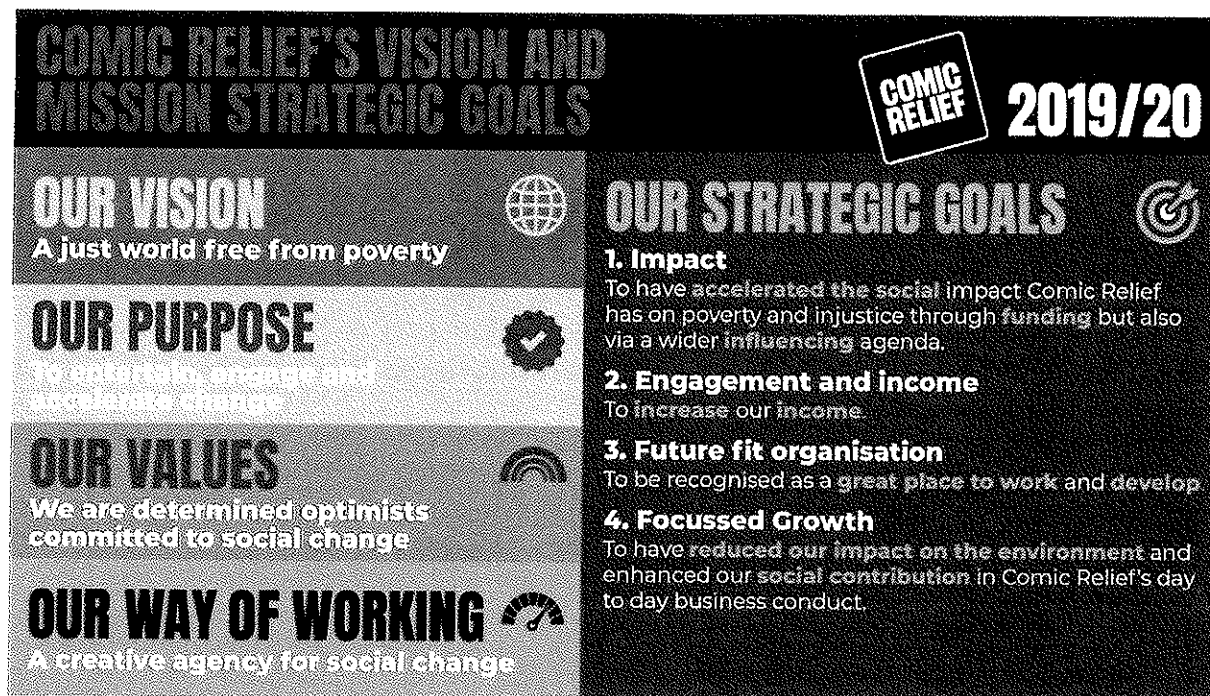
This annual report has been structured to focus on each directorate within Comic Relief. The strategic reports for Impact and Investment (where we distribute our funding and influence change), Fundraising and Partnerships (where we seek out new ways to engage and entertain and work with our partners), Digital and Innovation (where we develop our digital infrastructure and technology) and Finance and Resources (where we support the whole organisation) provide an in depth review of the year for Comic Relief.

In 2017/18 we highlighted three strategic priorities that the organisation would be focusing on for the future. Each directorate has made strides and these priorities which are described in more detail in the individual strategic reports and are summarised in the table below:

Strategic Priority	Achievements
Nurture, develop and futureproof our existing brands - by making the most of our campaigns, increasing engagement and emotional connections with Comic Relief.	Red Nose Day in March 2019 was presented by the most diverse line up we've assembled, appreciation of Red Nose Day went up and we saw better understanding of the breadth of our work.
Diversify to bring in new sources of revenue, brand value and impact - by exploring new product offerings and ways to reach new audiences in order to increase our impact outside of our annual campaigns.	Our year round engagement leveraged our brand at the Edinburgh fringe, World Cup netball and our Wembley Spectacular event. We secured a year round partnership with KFC and the reimagined BA safety film has supported increased giving.
Continue to make Comic Relief an effective creative agency for social change - by aligning the organisation behind a new social change strategy, with a changed staff structure and new ways of working, to ensure Comic Relief is fit-for-purpose in a changing world.	We ran 10 funding calls for our new social change strategy, with 2,241 funding applications. We began our influencing work by holding a parliamentary reception engaging directly with MPs.  Our digital transformation progresses.

## Looking ahead

Comic Relief's 5-year strategic plan runs between 2017/18 and 2021/22. Our strategy for the coming year, 2019/20 including our strategic goals is shown in the schematic below.



# STRATEGIC REPORT: IMPACT AND INVESTMENT

## Highlights

This has been the first year of implementing Comic Relief's Social Change Strategy which prioritises four key challenges of our time.

We have opened 10 'funding calls' for funding applications, offering longer-term, more flexible funding to organisations whose work addresses the challenges:

- 1) Global mental health matters,
- 2) Gender justice,
- 3) A safe place to be, and;
- 4) Children survive and thrive.

Across all themes, more of our funding has been awarded to smaller, locally led grass roots organisations through investments with intermediary funders. Our international funding has increased direct awards to organisations based in the Global South<sup>2</sup> where our work is being delivered.

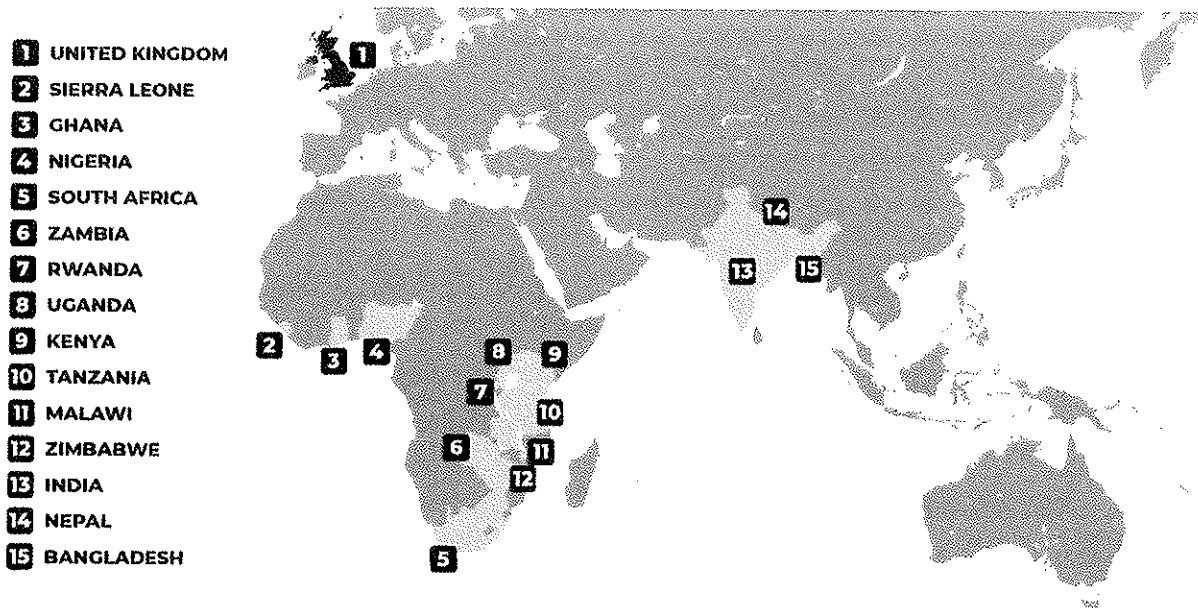
Comic Relief is now focusing our funding in 14 countries outside the UK and 6 of our funding opportunities have been global in scope, allowing us to draw together organisations addressing the same issues in different ways in different contexts around the world. We encourage these partners to learn with and from each other, sharing best practice and new models across international boundaries.

Alongside more focused funding and a learning-led approach, the final strand of our strategy is to use Comic Relief's influencing and storytelling ability to amplify the work of our partners. This year we have been proud to host our first parliamentary reception where long-standing partners, Mothers2Mothers and Violence Prevention through Urban Upgrading were able to share their work with UK politicians as well as on the BBC during our Red Nose Day night of television.

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<sup>2</sup> As defined by the World Bank: Africa, Asia and Latin America.

The picture below shows the distribution of countries that benefit from our work



## Key numbers for Comic Relief impact and investment

Total value of funding awarded: £75.4m. (A £36.9m increase from last year)

Number of funding calls opened: 10

Number of funding applications received: 2,241

Number of investments awarded: 316

Number of organisations supported with new investments: 258

Number of direct investments in the Global South: 60 (57%) of all International Investments this financial year.

## Introduction

This year was the first full year since the launch of our social change strategy, so we made a concerted effort to open as many funding calls as possible.

We aimed to distribute more funds this year because of our slight pause last year, and we managed to do just that, opening funding calls in each of our four challenges. We have also adopted three specific approaches, these are Sport for Change, Social Tech and Red Shed. There is more detail about the approaches below.

We opened 10 funding calls in total, received a whopping 2,241 applications and awarded investments totalling £75.4m, that's £36.9m more than last year.

	No. of Investments	Value
<i>Gender justice</i>	99	£23.6m
<i>A safe place to be</i>	56	£14.4m
<i>Global mental health</i>	28	£2m
<i>Children survive and thrive</i>	5	£8.7m
<i>* Other investments made within strategy</i>	83	£19.0m
<i>Investments made under previous strategy</i>	45	£7.7m
<b>Grand Total</b>	<b>316</b>	<b>£75.4m</b>

\*Breakdown of 'Other investments made within Strategy'

	No. of Investments	Value	Notes
UK Nations Intermediary Funders	4	£7.5m	New intermediary funders reaching grassroots organisations on our behalf
Futures Lab	48	£2.8	Supported a cohort of partners to be fitter for the future, pioneering the development of sustainable exit strategies.
The BT Supporters Club (Sport for Change)	6	£1.4m	Sport for Change managed programme
Social Tech	4	£0.2m	One of our 3 approaches
London Together (Sport for Change)	3	£0.2m	Sport for Change managed programme
#iwill Youth Social Action Fund	5	£0.2m	Participation & Lived experience at the heart of the work being funded
Branching Out: Financial Inclusion at the Margins	11	£6.4m	Targeting women and refugee population groups
African Storytelling pilot: SEMA STORI	1	£0.2m	A pilot project working across Kenya, Tanzania, Rwanda and Uganda to support up to 10 film makers to produce short documentaries on our four themes
Joseph Rowntree Foundation - Portrait of Britain photography project	1	£0.1m	Partnership with JRF to try and shift attitudes and raise awareness about poverty in the UK
<b>Total</b>	<b>83</b>	<b>£19.0m</b>	

Of the total £75.4m investments made, £4.7m is top up or continuation funding. Of the 316 awards made, 86% were under our current social change strategy, with the remaining 14% made as part of pre-existing commitments agreed before our current social change strategy was in place.

Children Survive and Thrive is a new area of work for us, which is why there are only 5 investments. We opened our first funding call under that challenge called 'Rise and Shine' which had a deadline of March 2019. We received 496 applications and we made awards in September 2019.

## Approaches

Our investments are approached in different ways. Our four challenges and investments made under our Social Change Strategy are sometimes applied using three approaches. The three approaches are Sport for Change, Social Tech and Red Shed (more detail on page 22). The table below shows the breakdown of approaches included in the numbers above. Sport for Change investments accounted for 12% of the value of all new investments made, with Social Tech at 6% and Red Shed 1%.

	No. of investments	Value	% of total invested
<i>Sport for Change</i>	41	£9.4m	12%
<i>Social Tech</i>	29	£4.1m	6%
<i>Red Shed</i>	2	£0.7m	1%
<b>Total</b>	<b>72</b>	<b>£14.2m</b>	

Comic Relief aims to invest its funds evenly between the UK and internationally. Due to the way we match some funding commitments by other bodies and timing of funding decisions, it is not always possible to have an even split. For 2018/19 the split between UK and international is shown below.

	No. of Investments	Value	Split by No.	Split by Value
<i>UK</i>	211	£30.0m	67%	40%
<i>International</i>	105	£45.4m	33%	60%
<b>Grand Total</b>	<b>316</b>	<b>£75.4m</b>		



## Our Impact: How we are tracking progress against our Social Change Strategy

We are committed to evaluating the impact our investments and influencing work is making towards achieving the social change we want to see. In terms of our Investments in partners and projects we think it's important to track how we are investing in line with the What, Where and How of our social change strategy. That's ensuring a significant number of our investments are against our four challenges and in our priority countries as well as the ways we fund, the 'How':

We are constantly evaluating our funding proposition and in the last year we have worked hard to think about the kind of funder we want to be in order to enable the organisations we work with to be as effective as possible and work towards ensuring a strong and active civil society. Based on learning from external research and evaluations of our own funding programmes, including our Core Strength programme and our Futures Lab flexible funding programme, we have identified the following key funding characteristics as important to achieve:

- Offering flexible funding through both core and project funding,
- Shifting power to the Global South by increasing direct international funding to in-country organisations,
- Funding for the long term and making fewer, larger investments,
- Ensuring people with first-hand experience are informing the work we fund,
- Being more relational with our funded partners, and;
- Targeting the 'missing middle' - those organisations our research showed are often underfunded that have an annual turnover between £0.25m and £10m in the UK and between £0.075m and £10m Internationally.

In order to measure and assess our performance and progress against the characteristics listed above we are developing a combination of quantitative indicators and qualitative measures. These are in the form of; facilitating collective learning events with funded partners; evaluating our investments against our strategy learning questions and collating and reviewing case studies and commissioning external evaluations to help us better understand pathways to social change.

We are continually seeking to improve our ways of measuring progress. Set out below are some highlights of our progress up to now:

- *Shifting Power to the Global South:* Of our international investments, 60 (57%) were in organisations located in the Global South.

- *Making larger investments:* Our median average investment size has increased by £30,000 in the last year.
- *Investing in the 'missing middle':* The proportion of new investments made since August 1<sup>st</sup> 2018 into the 'missing middle' has increased by over 10% compared to the previous year.
- *Offering flexible and core funding:* Our Core Strength programme provided up to £40,000 of core funding, a range of additional support and training, and more relational grant management to 105 small-medium sized UK charities over two years (2017-2019). The evaluation of the programme highlighted how important this approach and type of funding was for the organisations involved, being vital for the basic survival of at least nine organisations providing critical support services around homelessness, sexual abuse and children living in poverty. Every organisation (yes, every single one) reported feeling in a stronger position, with 70% having been able to leverage further funding, and core funding and relational grant management providing breathing space and strategic support for hard working charity leaders. In turn this unlocked improvements for beneficiaries, 73% of organisations reported improvements in their service delivery, 67% with better availability of their services and 54% reporting more opportunities for their service users to be involved in the service design and delivery.
- *Lived experience informing the work we fund:* For our Mental Health Bridging the Gaps funding call, we recruited a Mental Health Collective made up of ten people with lived experience to be an integral part of the process. Informing the programme design, shortlisting and assessing applications and sitting on the panel agreeing which organisations should be recommended to Comic Relief's Social Impact Committee. For our Across Borders programme we consulted with a group of refugees and asylum seekers to help inform the programme design. Our four Intermediary Partners throughout the UK, will ensure their small-grants programmes fund organisations that are authentically community-led, putting people with lived experience at the heart of the work.

We have also looked at how we change the way we tell stories, putting people at the heart of our storytelling:

- *Collective learning:* In October 2018, thirty people from nine projects funded through our 'I Define Me!' programme - from Bogota, Cape Town, Birmingham, Wolverhampton, Manchester and London - came together for four days in Bogota, Colombia. All working with gang-affected young women and girls, they were keen to reflect on the last 18 months, share learning, and consider how to adapt and change in their projects over the remaining 18 months. There was a wide variety of participants, which led to rich and productive

discussions. All participants left with insights into new approaches, areas of focus, and learning, that apply to their individual projects. There was also a clear desire to continue to work together across contexts and continents before the final learning event in Cape Town in 2019.

## **Our Themed Investments and Approaches**

We're incredibly proud of all our investments and have worked hard to be as open and accessible as possible. That has meant encouraging new and established partners to apply under our thematic funding or approaches such as Sport for Change or Social Tech. We are also working with new Intermediary funding partners to help us reach small community-led organisations doing incredible work on the ground. The examples below highlight some of the exciting funding calls we've made throughout 2018/19.

### **1) GLOBAL MENTAL HEALTH MATTERS**

#### **Bridging the Gaps: Strengthening Mental Health Support for Children and Young People**

This programme supports marginalised children and young people who are at an increased risk of developing mental health issues and less likely to receive the support they require - in Bangladesh, India, Kenya, Nigeria, Zambia as well as in the United Kingdom. It funds partnership approaches to tackling stigma and discrimination, providing quality mental health services and/or interventions, that are looking to make strategic or systematic changes at local or national level.

Calls closed in September 2019 and awards will be made in December 2019.

#### **Ahead of the Game: Sport and Mental Health**

This Sport for Change and Mental Health programme will support work in the United Kingdom, Ghana, Uganda and Rwanda. It aims to support new or existing work that combines sports-based approaches with quality mental health support to reduce distress and/or improve mental wellbeing. The objectives are:

- To support new or existing work that combines sports-based approaches with quality mental health support to reduce distress and/or improve mental wellbeing.
- To contribute to a growing body of evidence by learning from projects about what approaches are effective for whom, in what contexts.

Calls closed in May 2019 and awards will be made in December 2019.

## **2) GENDER JUSTICE**

### **Power Up: Resourcing Women's and Girls' Movements for Change**

This programme supports a wide range of women's rights organisations to fight against systems that perpetuate the injustices they encounter in their daily lives. It funds organisations led by women and girls, partnerships, consortia and women's funds, who are supporting women to have collective power, build movements, and become change agents. The issues they're working on include; Land Rights, LBTQI+ Rights, Labour Rights, Indigenous Women's Rights/Power, Targeted Policy Work, Sex Worker Rights, Movement Building and Girl-led work. We are interested in demonstrating the broader learning about the value of women's movements, and how funders can support them to create long-term change.

Number of investments 18, amount awarded: £7,694,520, Awards made July 2019

### **Tackling violence against women and girls**

This programme (in partnership with the Department for Digital, Culture, Media and Sport and the administrations in Scotland, Wales and Northern Ireland) will make targeted investments in UK women's organisations which provide frontline services to women and girls affected by gender-based violence and multiple disadvantage. We will invest in trauma-informed services, approaches and partnerships that reach the most marginalised women and girls to address the inequalities they face and respond to the complex needs that result from their experiences.

Calls closed in September 2019 and awards will be made in January 2020.

### **Tech vs Abuse**

The Tech Vs Abuse fund is investing in UK not-for-profit organisations, to encourage creative digital solutions, improve the safety of people affected by such abuse, and improve service delivery. The funding is for digital tools, approaches, services and ideas, at very early stages of development, which respond to the challenges we've outlined. This round will aim to fund up to 12 organisations with grants of up to £50,000 over a period of twelve months.

Calls closed in July 2019 and awards began September 2019.

## **3) A SAFE PLACE TO BE**

### **Preventing Homelessness and Insecure Shelter**

Homelessness is a global issue and a human-made disaster. This supports organisations working in the UK, India, South Africa, Zambia and Nigeria, who are driving programmes that aim to break the cycle of repeated homelessness and insecurity, as well as supporting people to overcome the human cost and trauma of these experiences. Some of the work being funded includes:

- Taking a city-wide approach to end homelessness in Cape Town and Tshwane in South Africa, and Exeter and Manchester in the UK.
- A variety of work supporting asylum-seekers and refugees in England, Wales and Scotland.
- Provision of holistic support - "beyond housing" - to help people deal with issues around, for example, substance abuse, the effects of trauma, and mental health conditions.

Number of investments 23, amount awarded: £6,699,864, awarded in March 2019

#### **Across Borders: Routes to safety for refugees**

This programme supports refugees and people seeking asylum to find safe, legal and dignified routes to safe settlement, whether that be in the country of destination, transition country or country of origin. It is a funding programme for organisations supporting refugees on the move along the key migration routes from the Middle East and North Africa to Europe, including the UK.

Calls closed in November 2019 and awards will be made in March 2020.

### **4) CHILDREN SURVIVE & THRIVE**

#### **Rise and Shine**

We believe every child has the right to the best start in life. This programme aims to fund work taking a child-centric approach to address the comprehensive development needs of children during their early years, up to and including their transition to primary school. The programme will support organisations in the UK, Kenya and Malawi, focusing on an integrated early childhood approach (Early Childhood Development) which places importance on all elements of childrens' development:

- Grow - Childrens' nutrition and health
- Love - Caring and supportive relationships
- Play and Learn - Childrens' stimulation and early learning
- Safe - Safety and protection in homes and communities
- Secure - Linking family's needs and available social protection programmes

Calls closed in March 2019 and awards began in September 2019

#### **APPROACHES THAT CUT ACROSS THEMES**

##### **Social Tech - 2019**

In partnership with the Paul Hamlyn Foundation, we ran the third round of our successful Social Tech funding programme. It offered 8 awards of up to £60,000 for UK organisations to digital innovation to provide better services to their beneficiaries using technology, designed with the user needs at the

heart. Thirteen products or services were selected including; apps for teenagers with depression, survivors of domestic and sexual abuse and people living with a muscle-wasting conditions, a website for a befriending service for disabled children, an online chatbot for people with bipolar depression, a digital game for deaf children teaching them about safeguarding and an app for fruit and veg vouchers. To find out visit the [social tech page](#) on our website.

Number of investments 8, amount awarded: £370,190 awarded in July 2019

### **Social Investment - Red Shed**

Red Shed is a specialist fund within Comic Relief that was set up with gains generated from Comic Relief's financial investments as opposed to donations from partners and the public. It focuses on testing new and innovative ways of funding our social change strategy and contributing to our vision of a just world free from poverty. Through Red Shed, we are looking to evaluate and understand how social investment could better support Comic Relief's social change strategy and how we can fund social change in the future. Red Shed is, and will continue, to invest into a range of social organisations using repayable finance structures that will enable us to recycle the money back in order to further support more social organisations.

### **Intermediary Funding Partners**

As part of our Social Change strategy, we've been developing a new approach to our investments. Working with intermediary funding organisations is part of our drive to support change at different levels in the most effective and sustainable way. We believe that grassroots, community-driven change is critical both to support individuals in need and to develop a vibrant, strong civil society that fosters local resilience and sustainable, positive change. We also believe that funders who are rooted in community-led development and understand the context and need within the nations they are located, are best placed to support the kind of grassroots, community-based organisations that can drive this change.

So far, we've invested in four cross thematic funders in the four nations across the UK who will be using funds to make small investments to a range of community organisations. The four funders are:

- Community Foundation of Northern Ireland £1m
- Wales Council of Voluntary Action £1.5m
- Corra Foundation (Scotland) £2m
- Groundworks UK (England) £3m

## **Our Influencing work**

In addition to the investments we make, we aim to contribute to social change through an influencing agenda. Below sets out two examples of our exciting Influencing activities this year.

### **Parliamentary Reception**

On Tuesday 12th March 2019, Comic Relief and the Coalition for Global Prosperity were delighted to co-host the official Red Nose Day parliamentary reception, to hear from South African project partners about the work of Comic Relief. Chaired by Sir Lenny Henry following his recent trip to South Africa, the reception heard from Nozandulela Samela and Thulani Mancini, who travelled to the UK parliament to describe first-hand what their projects are doing with support from Comic Relief.

Nozandulela Samela, an HIV activist and communications professional who works at Mothers2Mothers, told the audience how funds raised by Red Nose Day enables their organisation to equip and empower their Mentor Mothers, who work in clinics and communities across eight countries. In turn, this ensures that more children are born HIV-free and mothers are supported and educated.

Thulani Mancini described how his project, the Violence Prevention through Urban Upgrading programme, has been enabled to produce citywide safety surveys to provide evidence for their work. He also spoke about the increasing importance of social technology in his work to create safe and sustainable neighbourhoods.

Comic Relief and the Coalition were also delighted to host Jeremy Lefroy MP and Stephen Twigg MP (Chair, International Development Committee), who both spoke about their first-hand experiences of the incredible projects that Comic Relief supports, including through creating and improving jobs and livelihoods for young people around the world. Representing Comic Relief, Liz Warner (CEO), Sir Lenny Henry, and Richard Curtis (co-founder) recognised the generosity of the British public, and the extraordinary funds that are raised to support local champions here in the UK and around the world to change lives.

### **Promoting mental health globally**

In October 2018 the UK Government hosted the first ever meeting of international ministers solely focussed on mental health. Its aim was to drive political leadership and ensure mental health is valued on par with physical health. Comic Relief was there to participate in the summit as members of the working groups, making recommendations to summit leaders to influence mental health policy on a global scale. We were also there with two funded partners; young musicians and performers from Raw Materials, a creative arts and education charity from London performed at the summit reception in the Tate Modern and the Friendship Bench project from Zimbabwe also attended the summit bringing along one of their benches.

This year Comic Relief also invested in the United Purpose Global Mental Health campaign 'Speak Your Mind' pooled fund to support and catalyse the work of local campaign partners in low and middle-income countries to further the mental health agenda.



# STRATEGIC REPORT: FUNDRAISING AND PARTNERSHIPS

## Highlights

This year, by retaining and creating long-term partnerships to develop a sustainable income pipeline whilst expanding our approach to individual giving, we've made great progress.

For Red Nose Day 2019, Prizeathon raised nearly £1m. It boasted a range of 'money can't buy' opportunities, like the chance to win breakfast with Sir David Attenborough. With the BBC we used mobile tech to allow viewers to enter draws with the option to donate.

In Spring 2019, we launched a regular giving programme that offers the opportunity to support us all year round via direct debit. In addition to this, we're looking forward to other event and community-based activity which supports our aim for year-round fundraising.

In Summer 2019, we linked with the BBC and Women's Netball World Cup for our very successful Sport Relief All Stars Netball. We reached new audiences with our first Comedy Spectacular played to a sell-out audience at the Wembley Arena, following our Assembly Rooms gig at the Edinburgh Fringe, both becoming annual events in our year-round calendar.

Our new Philanthropy team engaged those with the capacity to give larger gifts. We secured two new funding partners who joined our first partnership consortium for Social Tech work. And our corporate team secured a three-year alliance with KFC to support young people in the UK.

Finally, thanks to a dedicated long-term partner and cracking designs in association with Peter Blake and Disney, the TK Maxx T-shirt campaign beat all records. All in all, a great year spent planting foundations towards our long-term fundraising goals.

## **Our events in 2018/19**

### **Red Nose Day and Night of TV**

Since the first-ever Red Nose Day in 1988, this comic extravaganza has become a national institution. It's the day when people all over the country – inspired by a fantastic night of comedy and entertainment on the BBC – come together and do all kinds of wonderful things to raise money for the fantastic causes both at home and overseas. Red Nose Day returned on 15 March 2019 with our most diverse line up of presenters introduced specially commissioned programmes including the Bodyguard and Mamma Mia here we go yet again.

- Average viewing of the Red Nose Day 2019 telethon was 5.8m (pre-news)<sup>3</sup>
- 61% of the UK public had seen or heard something about Red Nose Day 2019 during the campaign period<sup>4</sup>
- 40% of the UK public supported Red Nose Day 2019<sup>5</sup>

### **One Red Nose Day and a Wedding**

We were delighted to see the cast of Four Weddings and a Funeral reunited for the first time in 25 years. Hugh Grant, Andie MacDowell, Kristin Scott Thomas, John Hannah and Rowan Atkinson, were joined by some very special guest stars in this new instalment, helmed by original director Mike Newell. The writer of the new instalment, and the unforgettable classic, Richard Curtis commented, "It's been really enjoyable working out what's happened to all the characters – and now they get back together, one last time, for the fifth wedding. Where, as usual, not everything will go as planned."

### **Our first ever Comic Relief Spectacular live at Wembley**

Live events mark a strategic return to Comic Relief's comedy roots, as well as engaging new audiences. As a curtain-raiser for Red Nose Day, we brought together comedy heavyweights Alan Carr, Sir Lenny Henry, Katherine Ryan, Romesh Ranganathan, John Bishop, Russell Howard, Jimmy Carr, Kerry Godliman, Nina Conti and Rob Beckett, and rising stars Judi Love and Rosie Jones, for our first Spectacular at The SSE Arena, Wembley. One night, one stage, twelve giants of comedy live – a sold-out crowd of over 8,000 people. Does it get more spectacular than that? Well, yes, actually, because we're doing it all over again next year.

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<sup>3</sup> Source: BBC report (BARB Inds 4+)

<sup>4</sup> – source: nationally representative survey of 1000 (n=1000) conducted by CR

<sup>5</sup> – as note 4

### **Kilimanjaro: The Return**

Ten years after Gary Barlow led a group of celebrities in an epic climb up Mount Kilimanjaro, another hand-picked team took on the same 19,000-foot challenge. The group - whose climb was filmed for a special BBC documentary - included Pointless host Alexander Armstrong, Countryfile host Anita Rani, BBC Breakfast presenter Dan Walker, Love Island winner Dani Dyer, former MP Ed Balls, Little Mix's Jade Thirlwall and Leigh-Anne Pinnock, NFL sports pundit Osi Umenyiora and Strictly Come Dancing Head Judge Shirley Ballas. Starting their challenge in February, the intrepid team faced a grueling eight-day trek battling altitude sickness, basic camping conditions and freezing night-time temperatures - amazingly all reaching the summit together to raise over £2m for Red Nose Day.

### **Comic Relief did The Apprentice...**

Lord Sugar, Baroness Brady and Claude Littner made a return to the boardroom alongside a group of celebrities vying to avoid the firing line in special Celebrity Apprentice for Comic Relief. The two teams raised an impressive £480,000 for Comic Relief, but it was the Girls - consisting of The X Factor judge Ayda Field, Britain's Got Talent's Amanda Holden, EastEnders actress Tameka Empson, interior designer Kelly Hoppen and journalist, commentator and writer Rachel Johnson - that raised the most and were named winners.

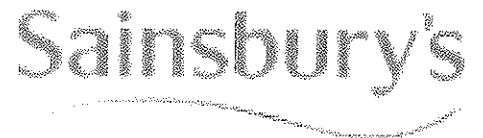
### **...and Claudia and Tess danced till they dropped**

Yes, the Comic Relief Danceathon returned... Following in the footsteps of Sara Cox and Dermot O'Leary, the celebrity dancers were BBC Radio 2 presenter Claudia Winkleman and her Strictly Come Dancing co-presenter, Tess Daly. They flossed, dabbed and jived to the beat for our longest ever Danceathon to raise as much as possible for Red Nose Day. The duo was on their feet for over 24 hours and by the end of their challenge had raised over £1m. Throughout, Claudia and Tess were joined by a whole host of celebrity supporters to spur them on - highlights included Jeremy Vine and Rylan's Dance-off, Mary Berry's dancefloor antics, live music performances from the likes of Fleur East, Beverley Knight and the stars of many hit musicals, this epic dancing challenge reached its climax to the sound of Survivor by Destiny's Child.

## Our Key Partnerships

The most important partners helping us reach our vision are the thousands of volunteers who give their time and creativity, along with the members of the public who make donations that support the causes we support. We couldn't do what we do without, you, the public.

We also have partnerships with the following bodies that are vital to our work:



Department  
for International  
Development

BRITISH AIRWAYS



BILL & MELINDA  
GATES foundation



GlaxoSmithKline



Ryman

KFC®

Robert Dyas  
Home · Kitchen · DIY · Garden



## **Our approach to fundraising**

We aim to maintain the highest possible principles when fundraising, providing our many supporters with the best experience we can and making sure that our activities are compliant with regulatory standards. Over the past 12 months, we've carried out a wide range of work to ensure we continue to adhere to the guidance set out in the Charities Acts. This work is explained in detail in each of the sections below.

### **Fundraising standards**

We are proud to be a member of the Fundraising Regulator, which was established in 2016. In 2018/19, we continued to deliver a programme of work to make sure we comply with all relevant rules and regulations and subsequently provide everyone who supports us with the best possible experience. We are consistently assessing and evaluating our processes and fundraising agreements to formalise and strengthen how we monitor the fundraising activities occurring in aid of our Red Nose Day and Sport Relief campaigns. We are proud of the rigour and support we provide to our fundraisers ensuring they have the necessary tools to execute their activity.

### **Helping our supporters and addressing complaints**

Throughout 2018/19, we continued to let our supporters know that they could contact us, by phone, email or post, if they ever had a query or needed guidance. As a result, we handled 8,101 enquiries by phone and email. These covered a wide range of issues, including planning and undertaking fundraising events, ordering merchandise or collections, through to questions about the organisations and projects we fund. Despite our best efforts, we do know we don't always get everything right. We managed 594 complaints throughout our Red Nose Day 2019 campaign. We take every complaint we receive very seriously, as our aim is always for our supporters to have a high-quality experience with us. We acknowledge receipt of a complaint within one working day, then investigate and advise of our findings within 30 days of acknowledgement. We respond to every complaint individually, with the intention of turning it into a positive experience for the supporter and something we can learn from. We take great pride in listening to what our customers have to say about us, whether negative or positive, as all feedback is key to us continuously improving our supporter care. We had no unresolved complaints and did not need to make referrals to the Fundraising Regulator.

### **Safety during fundraising activities**

The safety of everyone during fundraising activities is an absolute priority for us. We are particularly concerned to safeguard the welfare of any children or vulnerable adults who may be involved. We have created safeguarding guidelines for anyone hosting an event. This information is posted on our website during campaigns and is also shared with individuals or groups seeking advice.

### **Looking Ahead**

We've already mentioned that we're holding another Comic Relief Spectacular after the success in February 2019 and we're starting a monthly comedy night for up and coming artists. In addition to Sport Relief in 2020 and our famous Challenges we'd love to tell you more, but it's all too secret to tell!! Stay tuned to Comic Relief's social media channels for updates on our exciting events.

# STRATEGIC REPORT: DIGITAL AND INNOVATION

## Digital transformation

We've been working hard to bring Comic Relief onto a modern, technology and data-enabled path - readying the organisation to provide employee and supporter experiences that are more closely aligned with how people spend, bank and connect online today. Digital transformation is progressing, with an emphasis on developing the mindset, values and behaviours that will equip staff for adaptive futures, problem solving and collaborative, agile working practices.

We're implementing our strategy with a focus on inter-operability of systems; this year, teams have prioritized replacing repetitive or non-digital tasks with the right technologies to facilitate automation. This strategy has made us smarter about what we buy vs what we build and we're seeing great results with over £0.5m total saving in non-staff costs.

We've developed dashboards, moving away from manual reporting and putting real-time data at the heart of our fundraising activity. By bringing data more into the everyday working patterns across the organization, we're able to make better decisions about the impact of our traditional marketing materials and gaining more insights into our supporters. Another example is how the new payroll, invoicing and expenses systems have reduced the time spent on invoicing and payments, improving transparency on spending.

We've retired our intranet, using social tools such as Workplace and Slack to improve internal communications, remote working has vastly improved now that it's facilitated with our improved telephony systems and cloud hosted file sharing.

During this year, we've embarked on a major data infrastructure project that will in the coming months and years enable Comic Relief to be better equipped to connect with supporters via multi-channel marketing and ultimately deliver more personalised supporter journeys and engaging ways to donate, support and participate in social change.

## Donations and fundraising infrastructure

There is still much to do, but this year has seen significant progress. One of the most influential changes this year has been to cast a critical eye on when to build vs when to buy technology;

identifying where we have unique business problems and prioritizing our development time to meet those needs.

Our online donations platform has moved to serverless architecture and has become a best-in-class case study for the use of Amazon Web Services technologies to provide a high availability, resilient donations capability that can process hundreds of donations per second. The move to the in-house built solution led to amazing year-on-year saving of over £0.25m, including a 93% saving on hosting costs compared to our old platform.

The new system is available year-round which means new fundraising activity, such as the Netball World Cup celebrity match, requires no additional technical input to receive high volume donations online. We're also in talks with other charities who have high volume transactions requirements (such as Disasters Emergency Committee) so that we can share learnings across the industry.

With the closure of BTMyDonate, we worked quickly to find alternative solutions to providing telethon support via call centres and IVR (Interactive Voice Response) for Red Nose Day. The launch of £30 SMS code for Night of TV and the Kilimanjaro documentary worked well with 25% of SMS donors opting for the higher value donation on Night of TV.

The Prizeathon offered supporters the chance to win 'money can't buy' prizes and led to the roll out of new systems to support this income stream; competition entries were managed via Givergy prize draw and delayed Premium SMS (Saturday Kitchen and the NOTV Bond Prize). Excitingly, we now have the ability to run year-round prize-related activity that engages new audiences in new ways with Comic Relief.



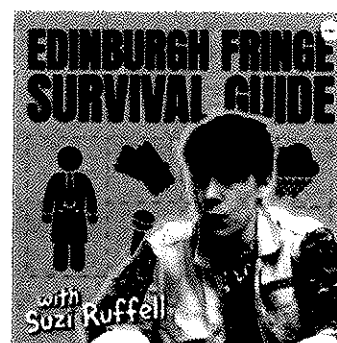
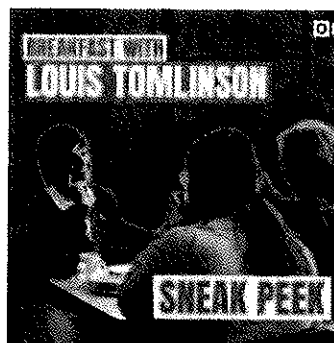
We retired our proprietary online peer to peer fundraising platform in favour of adopting JustGiving. This change means we can benefit from ongoing R&D investment in providing best-in-class fundraiser experience, coupled with improved conversion and retention insights. We also trialled contactless



giving in British Airways Executive Lounges and at live events such as the Wembley Spectacular; we will be looking to roll contactless out more widely in the coming year.

## Smarter online engagement

Coupled with a brand refresh across all Comic Relief owned channels, this year has seen a more strategic shift to develop audiences through Instagram, YouTube, Facebook and Twitter, playing on the particular strengths and characteristics of each platform. Activating supporters during the run up to Red Nose Day and sustaining engagement year-round has shown encouraging growth across the board.



Our merger of the Red Nose Day and Comic Relief brand websites worked well in aligning brand hierarchy and ensured users who were seeking more information about what we fund or how to fundraise could find what they were looking for in one place. Initial testing to provide more detailed information about the projects featured in appeal films was also published online, giving supporters more transparency about what we fund and establishing a new direction for Comic Relief that connects donors more directly with where their money goes.

# STRATEGIC REPORT: FINANCE AND RESOURCES.

## Financial review

Each year the annual report and accounts presents the position of the group, set out in the consolidated statement of financial position (the balance sheet), and the results for the year, set out in the consolidated statement of financial activities. The consolidated statement of cash flows links the balance sheet with the financial activities to make up the primary statements. The primary statements are supported by the notes which give additional, more detailed information on certain key numbers. This section provides a narrative of the financial activities for the year, in support of those statements.

### Income and Expenditure:

Red Nose Day 2019 raised over £70m thanks to generous donations from the public and their fundraising activities, institutions and corporate partners. We also work with institutional partners, such as the Department for International Development and the Bill and Melinda Gates Foundation on joint projects that serve both organisations' objectives.

In addition to our main fundraising campaign we also received income from a number of different sources, such as the Comic Relief Spectacular, held at Wembley SSE Arena in February 2019. We also have received some income from earlier and future campaigns which we have accounted for in his financial year.

Additionally, we generate income from investing the funds we have raised prior to them being distributed as funding to other organisations. This helps fund our operating costs and allows us to give more money to good causes. In 2019 the capital gains from investments were £13.2m (2018: £15.6m).

Our largest operating expense is staff costs, and we work carefully to ensure we continue to pay at least the London Living Wage to all our staff. In 2019 total staff costs including agency staff was reduced by £1.6m, being £13.7m (2018: £15.3m) excluding costs of redundancy in each period.

### Restricted Fund (£0.1m; 2018 £-1.5m)

Restricted funds can only be used for purposes as specified by the donor. In 2018 the fund was in deficit because the costs are recognised in full when the award is made, whereas the related income is recognised only when Comic Relief is entitled to receive the funds from funding partners, which will typically be in stage payments over several years. For 2018/19 the balance is £54,000 surplus. Further details are given in note 20.

## Unrestricted designated funds (£75.1m; 2018: £81.4m)

- Social Change Fund (previously Grant Fund) £65.6m (2018 £73.3m) This fund represents amounts designated by Trustees for grant making which have not yet been allocated to partners. We aim to allocate funds over a two-year period following each fundraising campaign.
- Common Ground Initiative (£0.3m; 2018: £-1.5m)  
In 2018, the negative balance reflected that income is only recognised on entitlement to income from DFID, but the corresponding awards are recognised in full at the time they are made. During 2019 CGI payments of £2m were received.
- Red Shed (£7.8m; 2018: £8.2m)  
This fund represents a designation of capital gains on investments from previous years which is being used to fund new and innovative ways to support our mission and vision.
- Bill & Melinda Gates Foundation (£0.8m; 2018 £0.8m)  
In discussion with the Foundation, Trustees have designated this general operating grant towards supporting the expansion of Comic Relief's international activities, developing creative ways of demonstrating success stories from Africa, engaging millennials and supporting global advocacy.
- Fixed assets (£0.5m; 2018 £0.6m) This fund represents the net book value of fixed assets, recognising that such assets cannot be readily liquidated on demand.

## General Fund (£57.1m; 2018 £51.9m)

The remaining balance of unrestricted funds, the General Fund, is monitored regularly by Trustees in accordance with their agreed reserves policy (shown below). Income in the General Fund is generated from Gift Aid, investment returns, licensing activities and sponsorship/specific contributions to cover costs. The General Fund is used to cover all costs of the organisation that are not related to funding allocation or management.

## Reserves

The General Fund is a reserve against which the surplus or deficit of operating income less operating expenses is charged. Trustees have considered the potential scenario that a single year's fundraising campaign may have to be cancelled or that the charity experiences a significant loss on its investments, recognising that under the Comic Relief Commitment the charity relies on investment returns to help cover the running costs of the organisation. Comic Relief is in the unusual and fortunate position whereby, if there was a deficit on the General Fund in any particular year, there is a very limited risk of it affecting the charity's ability to continue its operations. The positive cash flow

generated by the annual fundraising event would assist in financing a temporary deficit should the need arise. Therefore, the Trustees believe they would be able to plan the recovery of the organisation's finances over a reasonable timeframe without threatening the commitments to the charity's beneficiaries if such a situation were to occur. The target balance on the General Fund is therefore to retain a reserve of an amount equal to the sum of:

- Six months' operating costs (to be held in cash); and
- 15% of the value of the investment portfolio in order to afford a degree of protection to the General Fund (and organisational operating budget) against market fluctuations.

At 31 July 2019 the target General Fund balance is £33m against the actual balance of £57.1m (2018: £51.9m) which the Trustees are satisfied is consistent with the long term policy, after taking account of the budgets and planning assumptions for the future.

## **Fixed Asset Investments**

### **Investments**

We are a cash-generative organisation. The business model is that the great majority of income from events is received between March and July in the same year as the event. We aim to award funds to projects over the subsequent two years. The great majority of funding awards are multi-year, often for three years but sometimes for five years or more. Funding commitments are scheduled for payment across the period of the funding in instalments to ensure the money is being spent as agreed and delivering the intended impact. Until cash is required for funding it is invested to provide a return, outlined in the investment approach below.

Sufficient cash or cash equivalents are held to cover six months' worth of funding commitments and operating costs based on a 12 month average forecast, with a monthly minimum balance equal to three months' needs or £25m, whichever is higher, reflecting the fact that most of the cash inflows occur in March - July each year. £15m will always be available within one month and none of the cash holdings will be placed with maturity of more than one year. Beyond the sums to be held in cash there is, therefore, core capital which can prudently be held in longer term assets to achieve an enhanced level of return.

### **Investment approach**

The overall objective of the Investment Policy is to maintain and grow the value of the portfolio while remaining true to our values, mission, and vision. In addition, we aim to maximise the return from the portfolio but only within an acceptable level of risk. Despite our reliance on returns from the investment portfolio to pay for our overheads, we are mindful that the portfolio represents donations received from the public and consequently we have a responsibility to invest in relatively safe areas that minimise

the risk of incurring capital losses. We also recognise the importance of investing responsibly and sustainably. To make sure that our investments do not conflict with our Social Change strategy, our investment policy prohibits investing in companies which manufacture armaments or tobacco products or whose primary business is adult entertainment or the manufacture of alcohol products. The list of sectors to be excluded from the portfolio is reviewed by Trustees twice a year. In September 2019 the Trustees added a statement to the Investment Policy in respect of fossil fuels, which states:

Trustees of Comic Relief will not sanction an investment in companies whose primary business is the extraction or manufacture of fossil fuels without reason that is aligned with the organisation's charitable purpose.

In 2014, we signed up to the UN Principles for Responsible Investment (UNPRI), an international network of over 1,800 investors working towards putting environmental, social, and governance issues at the centre of their investing approach. In the 2019 self-assessment, we achieved a score of A or A+ in all three completed modules which exceeds the peer median scores of A in the module on strategy and governance, B for listed equities and B for property. We are also members of the Charities Responsible Investing Network, supported by ShareAction. Through this network of UK-based charities and foundations, we aim to secure public benefit through the judicious use of shareholder engagement with investee companies, as well as developing and sharing best practice in responsible investment across the foundation and charity sectors, building skills for responsible investment among foundation and charity investors, and achieving positive change cost-effectively by working collaboratively. For the year under review, Trustees delegated oversight and management to the Investment Committee for the investment portfolio and the Cash Management Advisory Group (which reports to the Finance & Risk Committee) for the cash portfolio. As part of the governance restructure approved during 2018/19 the Investment Committee (now called the Investment Advisory Group) now reports to the Finance and Risk Committee from September 2019. From January 2020 the Cash Management Advisory Group will be subsumed into the Finance and Risk Committee agenda. The Committee and the Group are made up of professionals who donate their time for free. Note that from January 2020 the Finance and Risk Committee will become two separate committees, Finance and Fundraising Committee and Audit and Risk Committee (see governance section for more detail).

### **Investment performance.**

The opening value of the investment portfolio was £130.4m. During the year, the net investment gain was £13.2m. Investments in Stewart, F&C and Fundsmith were sold and partially reinvested in purchases of MFG Magellan (£10m) and Trojan Ethical Fund (£15m) with £6m released to operating cash. The portfolio closing value was £137.1m. The total return on the portfolio (including dividends, interest and capital gains, but net of costs) was £15.8m (2018: £17.6m) for the year to 31 July 2019. The portfolio consistently holds a proportion of cash that is designated for investing use.

The Trustees have adopted a nominal total return target of 4.5% after costs, annualised over a rolling five year period. Based on figures independently calculated by our advisors, total returns over the last five years have been as follows:

	<b>Actual Total Return (%)</b>	<b>Target Total Return (%)</b>	<b>Over Performance (%)</b>
<b>1 year to 31 July 2019</b>	11.4	4.5	6.9
<b>5 years to 31 July 2019</b>	12.6	4.5	8.1

## Going Concern

The Trustees have reviewed the level of reserves and available liquid resources in the context of operating and spending plans over the next 12 months, the five-year business plan and the organisational risk assessment. The Trustees believe that Comic Relief has sufficient financial resources to continue in operational existence for the foreseeable future and that the group is well placed to manage its operating risks successfully. They have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

## Remuneration at Comic Relief

We are proud to be a Living Wage employer and all our London based staff are paid at least £10.55 per hour in line with guidance from the Living Wage Foundation. Responsibility for overseeing our pay policy, setting CEO and Executive Director pay, and agreeing on the level of annual staff pay increases, lies with the Remuneration and Nominations committee - This is a sub-group of the Board of Trustees, attended by the Chair. The committee takes external benchmarking advice to inform its decisions. Meetings are held at least three times a year with Senior Comic Relief staff and supported by external HR experts who attend in an advisory capacity. We are committed to the principle of equal opportunities and equal treatment for all employees. We have a clear policy for paying employees equally for the same or equivalent work.

## Gender Pay Gap

We have a proud history of tackling gender inequality in the UK and across the world. We passionately believe in our vision to create a just world free from poverty for everyone and that starts here, by ensuring that all staff are treated equally.

At the snapshot date of 5 April 2019, our mean gender pay gap is 3.7% (2018: 12.46%) and its median gender pay gap is 5.00% (2018: 13.98%). We're proud of the achievement to narrow this gap but recognise there is more to do.

We have high female representation throughout the organisation particularly at the executive and junior levels. We have increased the percentage of male employees in the lower quartile through recruitment and continue to work to reduce the pay gap overall.

We will put into practice the relevant actions recommended by the Government Equalities Office.

We do not pay bonuses.

**Pay quartiles by gender:**

Numbers in Quartile %	Males	Females
Upper	28	72
Upper middle	37	63
Lower middle	26	74
Lower	26	74

Our ratio of top pay to median pay is 4.2:1

Our ratio of top pay to lowest pay is 8.8:1

We try to balance the expectations of our supporters and beneficiaries, who trust us to use their money effectively, with the requirement to recruit and retain the best people. We know that our staff are attracted to working for us because of the opportunity it gives them to have a positive impact on the lives of others. A key driver for attracting and retaining talent is our commitment to family-friendly policies and flexible working practices that help staff achieve a good work/life balance. Our investment in training, development and well-being is an added incentive. For all staff, including the CEO and Executive Directors, pay is reviewed on an annual basis and our salaries reflect the knowledge, skills, responsibilities, and attributes required for the performance of each position. Our salaries are benchmarked against similar roles in other charities and relevant organisations. A set percentage



increase, directed by the Retail Price Index, Consumer Price Index, the actions of other organisations in the sector, and agreed on by the Remuneration & Nominations Committee, is given annually to all permanent staff with six months' service, though exceptional performers may receive a higher increase.

We also benefit from the incredible efforts of a huge family of volunteers who help us to achieve our fundraising goals. Their support allows us to minimise core running costs and enables our highly professional core staff to focus on delivering ground-breaking campaigns, coordinating fundraising efforts, and helping ensure that the money raised is distributed fairly, efficiently and usefully both in the UK and around the world. We also accept pro bono work and gifts-in-kind from commercial partners wherever appropriate, in order to operate as efficiently and cost-effectively as possible.

## Diversity

We want to attract a wide range of diverse skills into the workplace. We use a recruitment tool which enables blind recruitment. Our staff diversity in percentage as at 31/7/2019 is as follows:

Gender	%	Ethnicity	%	Sexual orientation	%	Disability	%
Female	69.0	White	59.0	Heterosexual	70.2	No	89.1
Male	29.5	BAME	26.0	Gay/Lesbian/Bi-sexual/other	7.8	Yes	4.1
Not declared	1.5	Prefer not to say/not declared	15.0	Prefer not to say/not declared	21.9	Prefer not to say/not declared	6.8

## Employment Policies

All our staff and job applicants are offered equality of opportunity and fair treatment. Comic Relief provides line managers with development sessions about discrimination and equality, and makes every effort not to discriminate, either directly or indirectly, on the grounds of nationality, ethnic or national origins, religion, gender, marital status, sexual orientation, disability, age, spent convictions, and membership or non-membership of a trade union. There are policies and processes in place to prevent bullying and harassment, to ensure the safeguarding of children and vulnerable adults, to support staff members affected by issues including domestic violence and to provide a positive and

supportive working environment for people with mental health conditions. In the last year we've increased the ways we listen to staff, held open house sessions for staff to set the agenda and ask questions of management, held listening lunches all with aim of adopting a more open culture.

Comic Relief has a strong commitment to developing the diversity of its staff through fair and open policies in recruitment and throughout the employee life cycle, training and practical action. This includes encouraging applications from disabled people as well as people from varied socio-economic backgrounds. Comic Relief takes every reasonable measure to adapt premises and working conditions so that all who work for us can access training and skills development opportunities. Staff engagement is very important to us. We conduct an annual staff survey to get anonymous feedback from across the organisation and hold monthly staff meetings. All employees are invited to the annual staff conference and are kept up to date on news and events through weekly email updates and monthly staff meetings. Our CEO and Executive Directors have 'open door policies' to hear staff comments directly. We are continually looking for innovative ways to communicate with our staff in order to create a sustained culture of engagement and openness.

# STRATEGIC REPORT: GOVERNANCE

The charity does not have share capital and is a company limited by guarantee. It is constituted by its Articles of Association. Charity Projects is the registered name of the charity but it is better known as Comic Relief, and therefore all references to the organisation in this annual report and accounts will be in the name of Comic Relief.

Charity Projects has two wholly-owned subsidiaries, Comic Relief Ltd and Brand Relief Ltd (dormant). This Trustees' Report and the financial statements represent the activities and position of the consolidated group for the year to 31 July 2019.

## Trustees

Ultimate control of Comic Relief is vested in the Trustees, who give their time, experience and expertise for free. For the year to 31 July 2019 and up to the date of signing the accounts, the trustees are:

**Tim Davie** (Chair of Trustees and member of the Remuneration & Nominations Committee)

**Richard Curtis CBE** (Vice Chair of Trustees)

**Suzi Aplin** (Trustee and member of the Social Impact Committee)

**Diana Barran MBE** (Trustee and member of the Investment and Finance & Risk Committees)  
(resigned 31 January 2019)

**Dr Sue Black** (Trustee)

**Harry Cayton CBE** (Trustee and member of the Social Impact Committee) (resigned 6 November 2019)

**Tristia Harrison** (Trustee, director of Comic Relief Limited)

**Michael Harris** (Trustee, Treasurer, member of the Finance & Risk, Investment and Remuneration & Nominations Committees)

**Jenny Hodgson** (Trustee and member of the Social Impact Committee) (appointed 27 February 2019)

**Colin Howes** (Trustee, member of the Investment Committee and director of Comic Relief Limited)

**Matt Hyde** (Trustee) (appointed 27 February 2019)

**Saul Klein** (Trustee)

**Charlotte Moar** (Trustee and member of the Investment and Finance & Risk Committees) (appointed 27 February 2019)

**Charlotte Moore** (Trustee) (resigned 25 July 2018)

**Rupert Morley** (Trustee, member of the Investment, Finance & Risk and Remuneration & Nominations Committees and director of Comic Relief Limited ) (appointed 28 November 2018)

**Tessy Ojo** (Trustee)

**Jacqueline Onalo** (Trustee and member of the Social Impact and Remuneration and Nominations Committees) (appointed 27 February 2019)

**Gautam Raju** (Trustee and member of the Social Impact Committee) (appointed 27 February 2019)

**Alexandra Reid** (Trustee) (resigned 7 November 2019)

**Tom Shropshire** (Trustee, Senior Governance Trustee and director of Comic Relief Limited)

**Theo Sowa CBE** (Trustee) (resigned 28 February 2019)

**Danny Sriskandarajah** (Trustee and member of the Social Impact Committee) (resigned 31 December 2018)

### **Trustee liability**

Each Trustee is a member of the charity and, in the event of the charity being wound up, is liable to contribute a maximum of £1.

### **Trustee tenure and code**

New Trustees are selected and appointed by the Trustee Board to maintain an appropriate balance of skills and experience. New Trustees are given a programme of induction, and training is available when required and relevant. In September 2016 a nine-year tenure limit was introduced for Trustees (three terms of three years following appropriate review and agreement at the end of each term) and transitional arrangements agreed for all existing Trustees. A number of new Trustees have joined the board in 2018/19 as part of the planned succession arrangements.

Trustees consider the principles set out in the Charity Governance Code when carrying out their duties and these principles have informed the review of Comic Relief's governance framework that was initiated in 2016. This framework is being mapped against the Code's principles to enable full 'comply or explain' to be implemented in the 2019/20 financial year.

### **Governance changes**

In the 2018/19 year the governance review has been successfully progressed with trustees approving the following key developments:

1. 26<sup>th</sup> September 2018 - The new Social Impact Committee replaced the UK and International Grants Committees in line with Comic Relief's new single Social Change strategy, with new committee terms of reference.
2. 28<sup>th</sup> November 2018 - A revised committee structure was approved by Trustees to provide remit for increased scrutiny of audit and risk, finance and fundraising, social impact and remuneration and nominations matters with appropriate advisory groups
3. 27<sup>th</sup> February 2019 - A Trustee Code of Conduct was approved.
4. 24<sup>th</sup> April 2019 - Trustees approved the specific matters that have been reserved for Trustees and those delegated to committees and/or the executive.
5. 24<sup>th</sup> April 2019 - Trustees approved an updated description of roles for the Chair, CEO, Senior Governance Trustee and Treasurer.
6. 24<sup>th</sup> July 2019 - Trustees approved the comprehensive Committee Terms of Reference for the new committee structure, building on the approved structure from November 2018.
7. 24<sup>th</sup> July 2019 - The Trustees approved a Committees Code of Conduct.

The new committee structure will be embedded in the course of 2019/20.

During the 2018/19 year, the committees and advisory groups met regularly in accordance with the annual meeting schedule and annual schedules of work. The committees and advisory groups benefit from the specialist expertise of independent members selected to complement the skills and experience of Trustees.

Until late 2018 there was also a Commercial & Technology Board, some members of which served on the board of the two trading subsidiaries and on which there is Trustee representation. This group was disbanded following the review of the committee structure.

Decisions of the Trustees are implemented by the Chief Executive Officer (appointed by the Trustees) and the executive team.

The Trustees continue to be very grateful to all committee and advisory group members for their advice, work and time committed during the year.

## Executive Directors

The Trustees delegate the day-to-day running of the charity to the Chief Executive Officer (CEO) and the Executive Directors who are responsible for particular areas of the charity as listed below. The Chief Executive Officer reports to the Chair of Trustees.

During the year, and in the months following the year-end to publication the Executives were as follows:



**Liz Warner**  
Chief Executive Officer



**Helen Wright**  
Executive Director of Finance and Resources



**Ruth Davison**  
Executive Director of Impact and Investment.



**Charlotte Hillenbrand**  
Executive Director of Digital and Innovation

**Catherine Cottrell**  
Executive Director of Fundraising and Partnerships (left 13 September 2019)  
**Shabby Amini** Interim Executive Director of Fundraising and Partnerships (started 1 October 2019)

**Bill Griffin**  
Executive Director of Brand and Creative (left 21<sup>st</sup> June 2019, responsibilities were absorbed into other directorates and a new team under the CEO)

## **STRATEGIC REPORT: KEY RISKS AND UNCERTAINTIES**

No organisation can operate in a risk-free environment. Our vision of a just world, free from poverty, requires us to take risks as we operate in inherently vulnerable and hostile environments which present us with some difficult communication, security, logistical and financial challenges. Also, we need to take some risks in order to take advantage of new opportunities.

We consider all types of risk, both internal (for instance, financial, operational, reputational, governance and compliance) and external (such as political, environmental, social, technical, legal and economic) when planning for the future. Many external risks are outside our direct control, so our aim is always to mitigate the potential impact of risks arising.

We take risk management very seriously and have a clear framework in place alongside a suite of clear policies. With increased regulation, uncertainty due to Brexit, and the high expectations of our stakeholders, we know that we need to proactively anticipate risks and have effective and consistent mitigations in place.

### **Risk framework and controls**

Our operations depend on the effective management of risk while ensuring our organisational objectives are achieved.

We have an embedded risk framework that works both "bottom-up" and "top-down". Throughout the year we hold risk workshops with Trustees, Executive Directors and with representatives from each Directorate. These capture concerns and identify mitigating actions or controls to risk that are highlighted.

In addition, our wider assurance framework includes our incident reporting, counter fraud, bribery and corruption, management of complaints and grievances, safeguarding and reporting concerns (whistleblowing policies). Having these policies in place help identify risks as they are raised and set out compliance with regulatory responsibilities.

### **Our risk management principles**

The key principles to support the delivery of our risk management approach are:

- All staff are responsible for understanding and complying with Comic Relief policies that are in place to mitigate risk to the organisation.

- Risk management awareness and training is provided to all staff, appropriate to their role and responsibility.
- Risk management is not a stand-alone activity that is separate from Comic Relief's main activities, it is embedded in key processes and decision-making points (e.g. business planning).
- The approach to identifying and managing risks, including the use of common terminology, shall be consistently applied across the organisation.
- There is a defined risk management governance structure in place with clear accountabilities that supports the direction and control of risk management across the organisation.
- Directorates and teams are responsible for identifying, assessing, managing, and reporting their risks within their risk register and to the Risk Group.
- Comic Relief templates have been designed to capture and mitigate risks as they are identified.
- Reporting and escalation of risk information should be as fully detailed as is possible at the time, timely and seek to cover all key risks to support management decision-making at relevant levels. Risk reporting and escalation does not transfer risk ownership.

## **Roles and responsibilities**

Our Board of Trustees is responsible for ensuring that Comic Relief has robust and effective risk management processes and assurance functions in place. The Board assesses and agrees on the strategic risks and receives updates on how these risks are being mitigated, as well as reviewing any new significant risks at board meetings throughout the year. Committees of the Board provide regular in-year oversight of risk, including operational risks. The Executive Leadership Team reviews the corporate risks as part of wider strategic performance monitoring, taking collective responsibility for ensuring that risks are swiftly identified and effectively mitigated.

The Assurance Team's remit includes; overseeing the risk management process, advising on risk including previously unknown risks, and being accountable for the Internal Audit function who evaluate the effectiveness of our internal control environment. We also have a Risk Group which brings together representatives from across the organisation with responsibility for risk management. The group shares best practice to ensure we have a consistent and joined-up approach.



## Key risks and uncertainties faced by Comic Relief and mitigating actions

We proactively put measures in place to prevent fraud, corruption (including bribery), mismanagement or misconduct in relation to our staff, suppliers or partners, and we will investigate any allegations that we receive through our formal process for reporting concerns or other informal channels.

Description of the risk	What we are doing about it
<p><u>Threats to Income</u></p> <p>The shifting trends in how the public consume entertainment means a decline in linear TV viewing - the main platform on which we have historically communicated - and an increase in online activity, such as on-demand, non-scheduled TV, social media and YouTube. This brings with it a shift in public engagement and public income channels - presenting both opportunities and threats.</p> <p>The uncertainties posed by Brexit present a range of risks to income and potential for increased UK need.</p> <p>Ensuring Comic Relief provides a sustainable organisation that delivers our charitable purpose.</p> <p>Ensuring the Comic Relief business model supports financial stability for the long term.</p>	<p>Our Trustees and staff are constantly reviewing our communication and engagement strategy to ensure that we respond to changes in the media environment. By putting digital at the heart of everything we do - and making sure we are always innovating - our creative teams work to constantly reimagine our fundraising campaigns. This helps the brand stay relevant and exciting to our supporters, and we achieve cut through in an increasingly competitive marketplace. We also work closely with the BBC to evolve different approaches to TV shows and other content, including digital. And we constantly review payment technologies, working with our partners to trial them as they become available.</p> <p>We are closely monitoring the Brexit situation especially our day to day operations, contracts and supplies. The current uncertainty means we are paying special attention to our judgements and estimates.</p> <p>Our investment portfolio is continually monitored and kept under review. We continue to monitor the external economic landscape and look for ways to protect and optimise our different income streams. We take independent investment advice and all decisions are overseen by Committee.</p> <p>We have a Strategy in place and continue to review how Comic Relief is run, aiming to continue to develop the organisation to maximise its efficiency and effectiveness.</p>

<p><u>Organisational resilience and reputational damage</u></p> <p>The charity sector has witnessed a decline of public trust in charities and a decline in support for overseas development. We are not complacent about our reputation and the level of trust it has, but it must ensure that it continues to deliver for the public and other stakeholders.</p>	<p>Transparency and accountability are central to all our external interactions, and we pay close attention to sector guidance and regulatory developments. We welcome questions, challenge, and scrutiny. We are investing in telling the story of the progress being made as a result of our funding and investments to demonstrate positive impacts and the need to keep on giving.</p> <p>We take a proactive approach to reputation management and our Business Continuity Plan will be there if needed.</p> <p>So we can be confident in our own activities and their impact, we have good oversight of our UK and international funding through our processes and Committees. We continually monitor our grants so we can identify any potentially critical issues related to the projects we fund.</p>
<p><u>Fraud</u></p> <p>Protecting Comic Relief as much as possible from misappropriation or misuse of the money donated to Comic Relief, directly or by partners who receive grants.</p>	<p>Our most significant area of fraud risk is in our funded grants and we recognise that we fund work in some of the world's most challenging environments. To combat this, we conduct due diligence on all funding applications to ensure that organisations have proper controls, oversight and staff skills to manage funds. We then monitor these grants throughout the life of the funding award in the form of six monthly and annual reporting, visits and proactive random checks. All our staff are given specific fraud awareness training. If problems do arise, we have a dedicated Counter Fraud Team to manage investigations and mitigate loss.</p> <p>To facilitate easy reporting of concerns we have both internal and external Reporting Concerns processes which allow for anonymous reports where necessary.</p> <p>In 2018/19 we opened eleven new cases of <i>possible</i> fraud within organisations receiving our funding and had fourteen cases carried over from previous years. Nine of the new cases and nine of the cases carried over, were closed in 2018/19. Seven cases were therefore open at 31<sup>st</sup> July 2019, with investigation and recovery activities ongoing in relation to £1,086,452 of</p>

	<p>spend. This represents 1.03% of all grants by numbers of grants under management and 0.41% by value of grants under management at 31 July 2019. In relation to these seven open cases, £82,800 has already been recovered and recovery efforts on the remaining funds are ongoing.</p> <p>Regular penetration and performance testing of our internal Payment Service Layer donations platform ensures a high level of confidence in our ability to transact donations in a secure and seamless fashion.</p> <p>We are continually strengthening our internal control framework, and our internal audit function tests these controls and reports to management and the Board. Any recommendations for improvements are implemented in a timely manner.</p>
<p><u>Governance</u></p> <p>Ensuring there is robust oversight and governance of the organisation is imperative to allow it to deliver its purpose and achieve success and sustainability.</p> <p>The transition of a new CEO and a change in Trustee compilation at Board will require robust governance to ensure stability such that the organisation continues to function effectively.</p> <p>Our people are our greatest asset; if we fail to attract, engage, and retain the best staff, it reduces our ability to deliver successful outcomes.</p>	<p>Oversight is provided through mechanics such as Board, Committees and The Executive Leadership Team, and we have dedicated Trustees for key functions of the organisation</p> <p>A Governance review was recently undertaken to agree better ways of working between Founders, Committees, and Trustees. We have policies and an organisational structure in place to ensure strong governance and clear roles and responsibilities for Trustees, management and staff. This should ensure robust succession planning in key Senior Management and Trustee positions.</p> <p>We continue to invest in our people.</p> <p>We provide learning and development opportunities, benchmark our benefits, and engage with staff through regular all staff meetings and surveys.</p> <p>We provide staff with a means of reporting on inappropriate behaviour or misconduct through a third party.</p> <p>The wellbeing of our staff is important to enable them to continue doing their job successfully. We have also signed up to the Time to Change pledge, and we have Mental Health First Aiders in place.</p>
<p><u>Representation</u></p>	<p>As an organisation, we are still on a journey to understand how best to portray our partners and their work. We encourage</p>

<p>Our values, as an organisation, must be consistent and lead how we portray the partners we work with. We must ensure that we represent our partners in a positive and fair light whilst understanding the impact of our decisions about how we portray people and that we mitigate them pro-actively.</p>	<p>feedback from our supporters, fundraisers, and the public to help us keep on track and to enable us to show our work in the best light.</p>
<p><u>Safeguarding</u></p> <p>Comic Relief has a duty of care to the people we work with - including staff, supporters, and beneficiaries of our grant making activity.</p>	<p>We have a dedicated Safeguarding function within the Assurance Team, to ensure that the safety of our beneficiaries, staff, and others connected with our work is at the heart of everything we do. Our comprehensive safeguarding framework, approved at Board level and independently reviewed by an expert, sets out measures to prevent harm, abuse, and exploitation across all aspects of our operations - from our grant-making to our visual story-telling and our fundraising.</p> <p>We work closely with our Partners to strengthen safeguarding within their operations as well as convening other funders to build greater collaboration to strengthen safeguarding across the sector. We quickly investigate any reported incidents by examining the circumstances and taking the necessary proportionate and appropriate action to ensure the safety of our beneficiaries, staff, and others connected with our work. We undertake safeguarding training across the charity so that all staff, contractors, and Trustees understand what safeguarding is, the safeguarding framework we have put in place and how to report any concerns. Also, all staff, contractors and Trustees sign a Safeguarding Code of Conduct which sets out the standards and behaviours we expect.</p>

The Trustees' Annual Report, incorporating the Strategic Report, is approved by the Board of Trustees and signed on behalf of the trustees:



Name: Tim Davie  
Position: Chair of Trustees  
Date: 27th November 2019

## STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of application of resources, including the income and expenditure, of the group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Company Secretary

Vincent Collins (resigned 31 July 2019)

Sarah Kucera (appointed 27 November 2019)

### Chief Executive Officer

Liz Warner

### Registered office and principal address:

1st Floor  
89 Albert Embankment London  
SE1 7TP

### Statutory Auditor

BDO LLP  
55 Baker Street  
London,  
W1U 7EU

### Honorary Accountants

EY LLP  
1 More London Place  
London  
SE1 2AF

### Bankers

National Westminster Bank plc  
Bloomsbury Parr's Branch  
P.O. Box 158  
214 High Holborn  
London  
WC1V 7BX

Adam & Company plc  
25 St Andrew Square  
Edinburgh  
EH2 1AF

### Investment Advisors

Tilney Asset Management Ltd 6  
New Street Square New Fetter  
Lane London EC4A 3BF  
  
Cambridge Associates Ltd 80  
Victoria Street Cardinal Place  
London SW1E 5JL

### Custodians

State Street Trustees Ltd 525  
Ferry Road  
Edinburgh  
EH5 2AW  
  
Northern Trust Fiduciary  
Services (Ireland) Ltd  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland

### Solicitors

Bates Wells Braithwaite LLP  
10 Queen Street Place  
London  
EC4R 1BE

Harbottle & Lewis LLP  
Hanover House  
14 Hanover Square  
London  
W1S 1HP

### Honorary Solicitors

CMS Cameron McKenna LLP  
Cannon Place  
78 Cannon Street London EC4N  
6AF  
  
Linklaters LLP  
One Silk Street  
London  
EC2Y 8HQ

### Company Number:

Charity Projects: **1806414**  
  
Comic Relief Ltd: **01967154**  
  
Charity Numbers (Charity projects)  
326568 (England and Wales)  
SC039730 (Scotland)

# INDEPENDENT AUDITOR'S REPORT

## Opinion

We have audited the financial statements of Charity Projects ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 July 2019 and of the Group's income and expenditure and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Annual Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.



We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

... This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

Fiona Condron (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
Date *20 December 2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Consolidated statement of financial activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the year ended 31 July 2019**

		2019			2018		
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
<b>Income from:</b>							
Donations and legacies	(2)	45,803	25,161	70,964	30,507	25,742	56,249
Trading activities		11,677	-	11,677	5,640	-	5,640
Investments	(2/4)	3,347	-	3,347	3,253	-	3,253
<b>Total Income</b>	(2)	<b>60,827</b>	<b>25,161</b>	<b>85,988</b>	<b>39,400</b>	<b>25,742</b>	<b>65,142</b>
<b>Expenditure on:</b>							
Raising funds		15,145	-	15,145	17,154	451	17,605
Charitable activities							
Tackling poverty and social injustice:							
UK		26,861	6,014	32,875	19,338	2,662	22,000
International		31,483	17,634	49,117	16,981	5,826	22,807
Global awareness, education and social change		1,795	-	1,795	3,264	-	3,264
		<b>60,139</b>	<b>23,648</b>	<b>83,787</b>	<b>39,583</b>	<b>8,488</b>	<b>48,071</b>
<b>Total Expenditure</b>	(5a)	<b>75,284</b>	<b>23,648</b>	<b>98,932</b>	<b>56,737</b>	<b>8,939</b>	<b>65,676</b>
<b>Operating (Deficit)/surplus</b>		<b>(14,457)</b>	<b>1,513</b>	<b>(12,944)</b>	<b>(17,337)</b>	<b>16,803</b>	<b>(534)</b>
Gains on investments	(4/12)	13,213	-	13,213	15,562	-	15,562
<b>Net Income / (Expenditure)</b>		<b>(1,244)</b>	<b>1,513</b>	<b>269</b>	<b>(1,775)</b>	<b>16,803</b>	<b>15,028</b>
<b>Net movement in funds</b>		<b>(1,244)</b>	<b>1,513</b>	<b>269</b>	<b>(1,775)</b>	<b>16,803</b>	<b>15,028</b>
Funds brought forward at 1 August 2018	(19/20)	133,372	(1,459)	131,913	135,147	(18,262)	116,885
<b>Funds carried forward at 31 July 2019</b>	(19/20)	<b>132,128</b>	<b>54</b>	<b>132,182</b>	<b>133,372</b>	<b>(1,459)</b>	<b>131,913</b>

All amounts relate to the continuing activities of the group. The reference to the notes, which form part of these financial statements, is shown on each line as appropriate.

The notes on pages 62 to 80 form part of these financial statements

## Consolidated Statement of Financial Position as at 31 July 2019

	Notes	2019		2018	
		Group £'000	Charity £'000	Group £'000	Charity £'000
<b>Fixed assets</b>					
Intangible assets	(10)	227	16	342	91
Tangible assets	(11)	307	307	282	282
Investments	(12a)	137,138	137,138	130,379	130,379
		<b>137,672</b>	<b>137,461</b>	<b>131,003</b>	<b>130,752</b>
<b>Current assets</b>					
Investments	(13)	45,543	45,486	64,142	64,085
Debtors (including £1.8m due after more than one year)	(14)	42,286	38,822	28,665	28,928
Cash at bank and in hand	(25)	4,940	3,897	2,186	1,003
		<b>92,769</b>	<b>88,205</b>	<b>94,993</b>	<b>94,016</b>
Provisions	(16)	(670)	(670)	(461)	(461)
Creditors: amounts falling due within one year	(15a)	(66,417)	(61,792)	(68,303)	(67,225)
<b>Net current assets</b>		<b>25,682</b>	<b>25,743</b>	<b>26,229</b>	<b>26,330</b>
<b>Total assets less current liabilities</b>		<b>163,354</b>	<b>163,204</b>	<b>157,232</b>	<b>157,082</b>
Creditors: amounts falling due after more than one year	(15b)	(31,172)	(31,172)	(25,319)	(25,319)
<b>Net assets</b>	(18)	<b>132,182</b>	<b>132,032</b>	<b>131,913</b>	<b>131,763</b>
<b>Funds</b>					
Unrestricted funds					
Designated funds	(19)	75,071	66,160	81,439	81,439
General fund	(19)	57,057	65,818	51,933	51,783
<b>Total unrestricted funds</b>		<b>132,128</b>	<b>131,978</b>	<b>133,372</b>	<b>133,222</b>
Restricted Funds	(20)	54	54	(1,459)	(1,459)
<b>Total funds</b>		<b>132,182</b>	<b>132,032</b>	<b>131,913</b>	<b>131,763</b>

The group has taken advantage of the exemption under s408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the charity. The net income for Charity Projects (company number 01806414) in the year was £0.3m (2018:£15m)

Approved by the trustees signed and authorised for issue on their behalf by:



Tim Davie  
Chairman  
27 November 2019



Michael Harris  
Trustee and Chair of Finance and Risk Committee  
27 November 2019

The notes on pages 62 to 80 form part of these financial statements

**Consolidated Statement of Cash Flows**  
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
<b>Cash flows from operating activities:</b>	<b>A</b>		
<i>Net cash used in operating activities</i>		<u>(25,491)</u>	<u>(45,856)</u>
<b>Cash flows from investing activities:</b>			
Dividends and interest	(4)	3,347	3,253
Purchase of tangible fixed assets	(11)	(148)	(219)
Purchase of intangible fixed assets	(10)	(7)	(88)
Net proceeds from sale of fixed asset investments	(12b)	6,454	35,636
Net movement on current investments > 3 months	(13)	5,151	14,964
<i>Net cash provided by investing activities</i>		<u>14,797</u>	<u>53,546</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>B</b>	<b>(10,694)</b>	<b>7,690</b>
<b>Cash and cash equivalents at 1 August</b>		<b>61,177</b>	<b>53,487</b>
<b><i>Cash and cash equivalents at 31 July</i></b>		<b><u>50,483</u></b>	<b><u>61,177</u></b>

<b>operating activities</b>			
<i>Net income for the reporting period</i>		269	15,028
<b>Adjustments for:</b>			
Depreciation and amortisation charges	(5a)	237	576
Gains on investments	(12)	(13,213)	(15,562)
Dividends and interest	(4)	(3,347)	(3,253)
Loss on the disposal of fixed assets		8	308
(Decrease)/Increase in debtors	(14)	(13,621)	2,594
(Decrease)/Increase in creditors	(15)	4,176	(45,547)
<b>Net cash used in operating activities</b>		<b><u>(25,491)</u></b>	<b><u>(45,856)</u></b>

**B. Analysis of cash and cash equivalents**

		At 1 August 2018	Movement	At 31 July 2019
Cash at bank and in hand	(25)	2,186	2,754	4,940
Current investments (less than three months)	(13)	58,991	(13,448)	45,543
<b>Total cash and cash equivalents</b>		<b>61,177</b>	<b>(10,694)</b>	<b>50,483</b>

The notes on pages 62 to 80 form part of these financial statements

**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

**1. Accounting policies**

Charity Projects is a public benefit entity constituted as a charitable company limited by guarantee (company number 1806414) and a charity registered in England and Wales (charity number 326568) and registered as a charity in Scotland (charity number SC039730). The address of the registered office is 1st Floor, 89 Albert Embankment, London SE1 7TP and the charity operates from the same address.

**a) Basis of accounting**

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, Financial Reporting Standard 102 (FRS 102), the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS 102 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounting policies below have been adopted for material items. No material uncertainties that may cast significant doubt about the ability of the Charity to continue as a going concern have been identified by the Trustees.

**b) Consolidation**

These financial statements represent the consolidated results and net assets of Charity Projects and its subsidiaries up to 31 July 2019. All members of the Charity Projects Group are listed on page 53.

The Charity has taken advantage of the exemption in S408 of the Companies Act 2006 not to publish a charity only Income and Expenditure Account. The net income of the charity for the financial year was £0.3m (2018: £15m).

**c) Critical accounting judgements and key sources of estimation and uncertainty**

In the application of the Charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period and future periods if the revision affects the current and future periods.

In the view of the Trustees, no critical judgements have been necessary in the preparation of the financial statements and no significant estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**1. Accounting policies (continued)****d) Financial instruments**

Charity Projects has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of the fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of the future cash flows unless the effect of discounting would be immaterial. Financial assets comprise cash at bank and in hand, together with current asset investments, other debtors, accrued income and social investment loans. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

Fixed asset investments, including bonds and cash held as part of the investment portfolio, are reported at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

Social investment loans are held at fair value and assessed regularly for signs of impairment.

**e) Fixed assets***Intangible fixed assets*

Intangible fixed assets are stated at historical cost and amortisation is provided on all intangible fixed assets on a straight-line basis. Trademarks are written down over the length of period for which they are valid. Technology assets are capitalised software development costs and these are written off over their useful economic life. Amortisation rates are as follows:

Trademarks	10% straight-line basis
Software	20% - 33 ⅓% straight-line basis

Assets are assessed at least annually for impairment. Any impairment value is recognised immediately in the statement of financial activities. Individually purchased software is written off in the year of acquisition.

*Tangible fixed assets*

Tangible fixed assets are stated at historical cost, less accumulated depreciation and any recognised impairment loss.

Assets are capitalised when their initial recognition value is greater than £1,000.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Fixtures and fittings	25% straight-line basis
Computer Equipment	33 ⅓% straight-line basis
Office premises (refurbishment)	20% straight-line basis

Residual values and useful economic lives are reviewed annually. Any impairment in value is charged to the statement of financial activities.

**f) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

## 1. Accounting policies (continued)

### g) Debtors/Creditors

Trade and other debtors are initially recognised at transaction price and subsequently adjusted, where necessary, for bad and doubtful debts. Similarly, trade and other creditors are recognised at transaction price. These are subsequently revalued at amortised cost.

### h) Income

Income is accrued and included in the statement of financial activities when the Group is entitled to the income, it can be quantified with reasonable probability and it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity. Income is deferred when it relates to future accounting periods.

Donation income represents monies received by the Charity from charitable donations, fundraising events and grants. Donation income is recognised in the statement of financial activities in the period that it is received unless there is an unequivocal obligation to donate, in which case it is recognised in the period in which it falls due. Where a donation is made with a valid Gift Aid declaration, the Gift Aid is recognised in the period in which the original donation was made.

Grant income is recognised in the Statement of Financial Activities in the year in which this becomes receivable and when any conditions for receipt have been met.

Legacies are accounted for as income once the receipt of the legacy becomes more probable than not, quantifiable, and control over the rights or other access to the economic benefit has passed to the charity. For pecuniary legacies this will generally be at the point probate is granted. For residuary legacies this will generally be on the earlier of cash receipt or once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred once all conditions attached to the legacy have been fulfilled.

Trading income is derived from the activities of the Charity's subsidiary Comic Relief Limited (and historically Brand Relief Limited).

Income from dividends and interest is recognised and accrued in the statement of financial activities when it is due.

### i) Donated goods and services

Where the Charity receives donations of goods and services in kind and where there is a measurable value to the Charity, which can be ascertained with reliability, they are included as both income and expenditure in the Statement of Financial Activities.

### j) Expenditure

Expenditure is accounted for on an accruals basis. Where expenditure does not fall clearly into one category, it is allocated to appropriate headings on the basis of staff headcount as a proxy for staff time in each cost area.

Expenditure on Raising Funds comprises the costs of generating voluntary income (primarily fundraising and event costs) and trading and other costs associated with the expenditure of the Charity's trading subsidiaries.

Charitable activities represents the grants awarded, staff and other direct costs associated with grant making and awareness raising activities including international poverty, fair trade campaigns and education projects.

Support costs represent overhead costs which have been apportioned to each expenditure heading on the basis of staff costs as a proxy for headcount as detailed in note 5b.

Governance comprises costs in relation to statutory and regulatory compliance as shown in note 5c.



## 1. Accounting policies (continued)

### k) Grants payable

Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustees and notified to the beneficiaries, and are apportioned between amounts due within one year and after more than one year based on the expected payment profile. The Charity monitors the usage to which a grant is put and reports are required from beneficiaries before the next annual instalment is paid. However, the beneficiary would have a valid expectation that they will receive the grant as offered and accepted. Cancelled grants are credited to the Statement of Financial Activities when the cancellation has been approved. Circumstances in which a grant may be cancelled include adverse performance issues, a breach of the conditions of the grant, the grantee no longer being able to accept the grant, or there being an underspend on the project which would lead to a partial cancellation.

Grant liabilities are initially recognised at the amounts awarded and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### l) Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

### m) General fund

The general fund is available to cover the costs of the organisation, other than the grants payable and cost of grant-making and management which are covered from the designated and restricted funds. Income that is credited to this fund includes sponsorship and corporate support, Gift Aid, investment income and gains / losses, interest and donations given specifically to cover running costs.

### n) Designated funds

These unrestricted funds have been designated by the Trustees for specific purposes and are listed in note 19.

### o) Restricted funds

These funds can only be used for purposes as specified by the donor and are listed in note 20.

### p) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus/deficit for the year.

### q) Irrecoverable VAT

Irrecoverable VAT is allocated to the principal areas of costs in which it has been incurred.

**Note 2. Total Income - Group**

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Donations and legacies</b>					
Fundraising events		41,108	1,500	42,608	25,864
Grant income	(2a)	2,029	23,650	25,679	26,723
Other donations		1	-	1	1,875
Gift Aid		2,549	-	2,549	1,658
Contributions to operating costs		116	11	127	129
		<b>45,803</b>	<b>25,161</b>	<b>70,964</b>	<b>56,249</b>
<b>Trading activities</b>					
Trading income	(3)	11,677	-	11,677	5,640
<b>Investment income</b>	(4)	3,347	-	3,347	3,253
		<b>60,827</b>	<b>25,161</b>	<b>85,988</b>	<b>65,142</b>

Fundraising events include income raised through our Red Nose Day and Sport Relief campaigns. 2019 was a Red Nose Day year whereas 2018, the comparative period, was a Sport Relief year. Due to the substantial difference in annual income between these two campaigns, comparisons may not always prove useful.

Trading activities comprise the turnover of Comic Relief Limited, a trading subsidiary of Charity Projects. Comic Relief Limited's turnover consists of income from merchandising and royalties of £8.8m (2018: £3.7m) and income of £4.3m (2018: £3.7m) from licensing activities and sponsorship, of which £1.5m (2018: £1.8m) are inter-company charges netted off on consolidation.

Brand Relief Limited is dormant and had no turnover in the year (2018: nil turnover).

Donated goods and services are included within contributions to operating costs. Both Red Nose Day and Sport Relief rely on the generosity of the BBC in providing support to the preparation and broadcast of the annual television show. In addition, content, promotional support and coverage of activities is provided by local and national BBC television and radio, both on the day and in the lead up to the appeal night. The value of each of these elements is very difficult to quantify as they are not discrete activities but embedded, partly as newsworthy and entertainment content, within the operations and business of the BBC. Red Nose Day and Sport Relief provide valuable content which attracts a large audience, and without this the BBC would have to produce alternative content. As such, the support provided by the BBC has not been included in the charity's Statement of Financial Activities as it is not possible to meaningfully quantify it.

**Note 2. (a) Grant Income**

Grant income comprised funding from:

Name of funder	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
Department for International Development	2,029	4,659	6,688	3,130	6,363	9,493
The Bill and Melinda Gates Foundation	-	7,543	7,543	439	6,149	6,588
The Queen Elizabeth Diamond Jubilee Trust	-	798	798	-	(409)	(409)
GlaxoSmithKline	-	3,400	3,400	-	3,400	3,400
Esmeé Fairbairn Foundation	-	400	400	-	-	-
The BT Supporters Club	-	2,909	2,909	-	-	-
The Clothworkers Foundation	-	200	200	-	-	-
Sport for Development Coalition	-	73	73	-	24	24
Kentucky Fried Chicken Foundation	-	200	200	-	-	-
Greater London Authority Mayors Fund	-	244	244	-	-	-
Scottish Government	-	-	-	-	500	500
The Paul Hamlyn Foundation	-	500	500	-	350	350
Department for Digital, Culture, Media & Sport	-	2,398	2,398	-	1,127	1,127
Jersey Overseas Aid	-	-	-	-	4,000	4,000
Comic Relief Inc	-	-	-	-	150	150
M-A-C AIDS	-	-	-	-	523	523
The Big Lottery Fund	-	-	-	-	15	15
Premier League Football Initiative	-	-	-	-	800	800
Sport England	-	-	-	-	150	150
Other funders	-	326	326	-	12	12
<b>Total grant income</b>	<b>2,029</b>	<b>23,650</b>	<b>25,679</b>	<b>3,569</b>	<b>23,154</b>	<b>26,723</b>

**Note 3. Comic Relief Limited and Brand Relief Limited**

	<b>Comic Relief Ltd</b>	
	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	13,087	7,384
Overhead expenditure	(2,113)	(1,703)
<b>Operating profit</b>	<b>10,974</b>	<b>5,681</b>
Interest receivable	5	1
<b>Profit on ordinary activities before taxation</b>	<b>10,979</b>	<b>5,682</b>
Taxation	-	-
<b>Retained profit for the year after taxation</b>	<b>10,979</b>	<b>5,682</b>
Commitment under Gift Aid	(10,979)	(5,682)
<b>Change in shareholders' funds</b>	<b>10,979</b>	<b>-</b>
<b>Assets and liabilities</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Intangible fixed assets	210	251
Current assets	17,169	4,129
Current liabilities	(17,229)	(4,230)
Net current liabilities	(60)	(101)
<b>Net assets</b>	<b>150</b>	<b>150</b>

Brand Relief Limited, a wholly owned subsidiary of Charity Projects, was dormant throughout the year and there are no plans for further trading activities in this company in the foreseeable future.

**Note 4. Investment income - Group**

	2019 £'000	2018 £'000
Dividends	3,005	2,788
Other interest receivable	342	465
<b>Gross investment income</b>	<b>3,347</b>	<b>3,253</b>

Investment income is split between returns from the investment portfolio and from cash holdings as follows:

*a) Investment portfolio*

Dividends	3,005	2,788
Gains on investments	13,213	15,562
<b>Gross investment return</b>	<b>16,218</b>	<b>18,350</b>
Less portfolio management costs	(402)	(770)
<b>Net investment return</b>	<b>15,816</b>	<b>17,580</b>

*b) Income from cash holdings*

	2019 £'000	2018 £'000
Interest receivable	342	465
Less cash management charges	(15)	(20)
<b>Net return from cash holdings</b>	<b>327</b>	<b>445</b>

**Note 5. Analysis of expenditure****Note 5. (a) Analysis of expenditure - Group**

	Grant costs (note 6) £'000	Staff costs (note 7) £'000	Support costs (note 5b) £'000	Other direct costs £'000	2019 Total £'000	2018 Total £'000
<b>Expenditure on raising funds</b>						
Costs of generating donations and legacies	-	6,893	1,744	3,978	12,615	15,112
Fundraising trading and other costs	-	1,292	311	510	2,113	1,703
Investment management costs	-	-	417	-	417	790
	-	8,185	2,472	4,488	15,145	17,605
<b>Charitable activities</b>						
Tackling poverty and social injustice:						
UK	30,059	1,868	577	371	32,875	22,000
International	44,911	2,791	862	553	49,117	22,807
Global awareness, education and social change	-	918	231	646	1,795	3,264
	74,970	5,577	1,670	1,570	83,787	48,071
<b>Total expenditure</b>	<b>74,970</b>	<b>13,762</b>	<b>4,142</b>	<b>6,058</b>	<b>98,932</b>	<b>65,676</b>

**Note 5. (a) Analysis of expenditure - Group (continued)**

<b>Expenditure include:</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Auditor's remuneration: audit of these financial statements - charity under-accrual from previous year	44 -	33 20
Amounts receivable by auditors and their associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	20	19
- Other services relating to taxation	3	9
Operating lease rentals - land and buildings, and other	618	589
Depreciation and amortisation	237	576

**Note 5. (b) Analysis of support costs - Group**

	<b>Premises £'000</b>	<b>Depreciation £'000</b>	<b>IT &amp; office £'000</b>	<b>HR, finance &amp; management £'000</b>	<b>2019 Total £'000</b>	<b>2018 Total £'000</b>
<b>Costs of raising funds</b>						
Costs of generating donations and legacies	494	112	634	504	1,744	2,206
Fundraising, trading and other costs	88	20	113	90	311	392
Investment management costs	-	-	-	417	417	790
<b>Charitable activities</b>						
Tackling poverty and social injustice:					-	
UK grant making	164	36	210	167	577	904
International grant making	245	54	314	249	862	1,066
Global awareness, education and social change	65	15	84	67	231	490
<b>Total support costs</b>	<b>1,056</b>	<b>237</b>	<b>1,355</b>	<b>1,494</b>	<b>4,142</b>	<b>5,848</b>

All support costs are allocated on the basis of headcount as a proxy for staff time.

**Note 5. (c) Analysis of governance costs - Charity**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Internal audit	57	-
External audit	44	53
Trustee indemnity insurance	7	6
Legal & professional fees	28	9
Trustees' and committees' costs	14	11
Apportionment of staff & support costs	30	41
<b>Total governance costs</b>	<b>180</b>	<b>120</b>

## Note 6. Charitable Activities - Grants

	2019 Unrestricted £'000	2019 Restricted £'000	2019 Total £'000	2018 Unrestricted £'000	2018 Restricted £'000	2018 Total £'000
<b>Tackling Poverty and Social Injustice - UK</b>						
A safe place to be	6,483	635	7,118	2,889	72	2,961
Children survive and thrive	-	-	-	23	23	46
Gender justice	4,707	3,083	7,790	2,310	23	2,333
Global mental health	751	716	1,467	7,906	641	8,547
Other	12,018	1,644	13,662	2,861	1,639	4,500
<b>Total grants allocated</b>	<b>23,959</b>	<b>6,078</b>	<b>30,037</b>	<b>15,989</b>	<b>2,398</b>	<b>18,387</b>
UK cancelled grants	(238)	(22)	(260)	(123)	(2)	(125)
UK Learning & Evaluation direct costs	282	-	282	242	-	242
<b>Total UK grant costs (note 5a)</b>	<b>24,003</b>	<b>6,056</b>	<b>30,059</b>	<b>16,108</b>	<b>2,396</b>	<b>18,504</b>
<b>Tackling Poverty and Social Injustice - International</b>						
A safe place to be	6,600	708	7,308	2,214	150	2,364
Children survive and thrive	3,897	4,794	8,691	1,626	1,114	2,740
Gender justice	10,920	4,883	15,803	4,446	3,635	8,081
Global mental health	42	509	551	2,914	-	2,914
Other	6,678	6,323	13,001	2,836	1,186	4,022
<b>Total grants allocated</b>	<b>28,137</b>	<b>17,217</b>	<b>45,354</b>	<b>14,036</b>	<b>6,085</b>	<b>20,121</b>
International cancelled Grants	(441)	(425)	(866)	(1,289)	(901)	(2,190)
International Learning & Evaluation direct costs	423	-	423	364	-	364
Provision for doubtful debt on Shared Interest social investment portfolio	-	-	-	214	-	214
<b>Total International Grant Costs</b>	<b>28,119</b>	<b>16,792</b>	<b>44,911</b>	<b>13,325</b>	<b>5,184</b>	<b>18,509</b>
<b>Global awareness, education and social change</b>						
Other grants allocated	-	-	-	500	-	500
<b>Total Grant costs (note 5a)</b>	<b>52,122</b>	<b>22,848</b>	<b>74,970</b>	<b>29,933</b>	<b>7,580</b>	<b>37,513</b>

Total funding awarded in the year to tackle poverty and social injustice was £75.4m (2018: £39m).

Total funding awarded excludes any cancellations.

The funding awarded is presented under the new grant themes.

All funding is awarded to institutions. A breakdown of the awards is available from Comic Relief, 89 Albert Embankment, London SE1 7TP, or on our website [www.comicrelief.com/what-we-do](http://www.comicrelief.com/what-we-do).

**Note 7. Staff - Group**

	2019 No.	2018 No.
The average weekly number of persons employed by the Group during the year was:		
Fundraising events	62	72
Operations	51	61
Education/communications	40	42
Grant making and management	66	61
International campaigns	4	4
	<b>223</b>	<b>240</b>
Staff costs for the above persons comprised:-		
Wages and salaries	9,510	10,569
Redundancy costs	39	1,254
Social security costs	1,070	1,189
Pension costs	926	886
	<b>11,545</b>	<b>13,898</b>
Agency staff	<b>2,217</b>	<b>2,627</b>
	<b>13,762</b>	<b>16,525</b>

The number of employees earning over £60,000 per annum, including taxable benefits but excluding pensions, was:

	2019 No.	2019 No. (excluding redundancy)	2018 No.	2018 No. (excluding redundancy)
£60,001 - £70,000	13	13	11	4
£70,001 - £80,000	4	4	6	1
£80,001 - £90,000	2	2	7	3
£90,001 - £100,000	3	3	4	1
£100,001 - £110,000	3	3	-	1
£110,001 - £120,000	1	1	2	1
£120,001 - £130,000	-	-	1	1
£130,001 - £140,000	1	1	-	-
	<b>27</b>	<b>27</b>	<b>31</b>	<b>12</b>

The total remuneration for the year, excluding pensions, for the Chief Executive was £176k (2018: £165k). Additional payments of £24k were made to the Chief Executive during 2018/19. The amount paid in 2018/19 that relates to earlier periods was £20k. The balancing £4k is included in the total remuneration shown above. The additional payments relate to untaken annual leave entitlement and back dated salary adjustments.

Key management personnel constitute the Trustees, Chief Executive, Executive Directors, the General Counsel and Company Secretary. Total remuneration received by the key management personnel was £962k (2018: £922k).

Total redundancy costs (excluding contractual payments) during the year were £0.04m (2018: £1.25m).

**Note 8. Trustees**

Trustees received £nil remuneration in the year (2018: £nil). Costs of £9,161 were incurred in relation to travel, accommodation and subsistence in relation to Trustee duties (2018: £11,469). A further £4,688 was spent on meeting expenses (2018: £7,423). In 2019 all Trustee training was provided in-house. Three trustees were reimbursed directly for expense claims totalling £1,339 (2018: £131).

Indemnity insurance costing £7,056 (2018: £6,720) was purchased on behalf of the trustees.

**Note 9. Taxation**

Comic Relief 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. The charity's trading subsidiaries donate to Charity Projects an amount equal to any taxable profits under Gift Aid. Consequently there is no taxation charge for the year (2018: £nil).

**Note 10. Intangible fixed assets - Group**

	Trademarks £'000	Software £'000	Total £'000
<b>Cost</b>			
At 1 August 2018	543	5,686	6,229
Additions	7	-	7
Disposals in year	-	(1,916)	(1,916)
<b>At 31 July 2019</b>	<b>550</b>	<b>3,770</b>	<b>4,320</b>
<b>Amortisation</b>			
At 1 August 2018	292	5,595	5,887
Charged in the year	48	67	114
Disposals in year	-	(1,908)	(1,908)
<b>At 31 July 2019</b>	<b>340</b>	<b>3,754</b>	<b>4,093</b>
<b>Net book value</b>			
<b>At 31 July 2019</b>	<b>210</b>	<b>16</b>	<b>227</b>
At 31 July 2018	251	91	342

During the year, some software assets were decommissioned and are reflected in the disposals. There was no impairment in the value of trademark intangible assets as at 31 July 2019 (2018: £nil).

**Note 11. Tangible fixed assets - Group**

	Premises and fixtures £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>			
At 1 August 2018	1,361	1,670	3,031
Additions	115	33	148
Disposals in year	-	-	-
<b>At 31 July 2019</b>	<b>1,476</b>	<b>1,703</b>	<b>3,179</b>
<b>Depreciation</b>			
At 1 August 2018	1,276	1,473	2,749
Charged in the year	35	88	123
Disposals in year	-	-	-
<b>At 31 July 2019</b>	<b>1,311</b>	<b>1,561</b>	<b>2,872</b>
<b>Net book value</b>			
<b>At 31 July 2019</b>	<b>165</b>	<b>142</b>	<b>307</b>
At 31 July 2018	85	197	282



**Note 12. Fixed asset investments - Group**

a) The investment portfolio is held in a range of segregated and pooled managed funds:

	2019 £'000	2018 £'000
<b>Segregated global equities</b>		
Fundsmith LLP	71,149	68,689
Stewart Investors Worldwide Sustainability Fund	-	9,366
MFG Magellan Investment	13,113	1,148
Leadenhall Value Fund	2,673	3,081
Trojan Ethical Fund	16,073	-
<b>Private equity</b>		
Schroders Private Equity Fund of Funds III	1,330	1,518
<b>Property</b>		
F&C Commercial Property Trust	2,315	18,149
Charity Property Fund	26,390	25,938
<b>Cash</b>	4,095	2,490
<b>Total Group &amp; charity</b>	<b>137,138</b>	<b>130,379</b>

b) Reconciliation of opening and closing market value

	2019 £'000	2018 £'000
Market value at 1 August	130,379	150,453
Net (disposals) / purchases*	(6,454)	(35,636)
Net investment gains	13,213	15,562
<b>Market value of portfolio at 31 July</b>	<b>137,138</b>	<b>130,379</b>
<b>Historic cost of investments at 31 July</b>	<b>89,674</b>	<b>84,350</b>

\*Note that net (disposals)/purchases includes £1.6m increase in cash (2018: (£17.0m decrease))

c) The charity holds unlisted investments costing £3 (2018: £3) in the following subsidiary undertakings:

	Cost £	Country of incorporation	Principal activity	Class of shares	Share capital held
<i>Subsidiary undertakings</i>					
Comic Relief Limited (note 3)	£2	England	Trading	Ordinary £1	100%
Brand Relief Limited (note 3)	£1	England	Dormant	Ordinary £1	100%

**Note 13. Current asset investments - Group**

	2019			2018		
	< 3 months to maturity	> 3 months to maturity	Total	< 3 months to maturity	> 3 months to maturity	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Call accounts	45,285	-	45,285	53,734	5,151	58,885
Fixed term deposits	-	-	-	5,000	-	5,000
Global liquidity funds - Charity Projects	201	-	201	200	-	200
<b>Market value at 31 July - Charity</b>	<b>45,486</b>	<b>-</b>	<b>45,486</b>	<b>58,934</b>	<b>5,151</b>	<b>64,085</b>
Global liquidity funds - Comic Relief Limited	57	-	57	57	-	57
<b>Market value at 31 July - Group</b>	<b>45,543</b>	<b>-</b>	<b>45,543</b>	<b>58,991</b>	<b>5,151</b>	<b>64,142</b>

**Note 14. Debtors**

	2019		2018	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(a) Amounts falling due within one year:</i>				
Amounts due from subsidiary undertakings	-	8,146	-	3,152
Other debtors	24,623	13,796	8,967	6,873
VAT	523	-	190	-
Social investment loans	1,440	1,440	874	874
Provision for doubtful debts	(714)	(714)	(714)	(714)
Prepayments and accrued income	14,661	14,401	15,148	14,543
	<b>40,533</b>	<b>37,069</b>	<b>24,465</b>	<b>24,728</b>

	2019		2018	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(b) Amounts falling due after more than one year</i>				
Social investment loans	-	-	80	80
Provision for doubtful debts	-	-	-	-
Prepayment and accrued income	1,753	1,753	4,120	4,120
	<b>1,753</b>	<b>1,753</b>	<b>4,200</b>	<b>4,200</b>

The provisions for doubtful debts relate to social investment loans managed by Shared Interest. The full loan and associated provision are due within one year.

**Note 15. Creditors**

	2019		2018	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(a) Amounts falling due within one year:</i>				
Grants approved not yet paid	57,062	57,062	64,272	64,272
Other creditors	3,248	2,930	569	568
Taxation and social security	376	376	265	265
Accrued expenditure	5,545	1,238	2,697	1,620
Deferred income	186	186	500	500
	<b>66,417</b>	<b>61,792</b>	<b>68,303</b>	<b>67,225</b>

	2019		2018	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(b) Amounts falling due after more than one year</i>				
Grants approved not yet paid	<b>31,172</b>	<b>31,172</b>	<b>25,319</b>	<b>25,319</b>

	2019		2018	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<b>Note 16. Provisions</b>				
Dilapidations provision	<b>670</b>	<b>670</b>	<b>461</b>	<b>461</b>

**Note 17. Members' liability**

The Charity does not have a share capital and is limited by guarantee. In the event of the charity being wound up, the maximum amount which each member is liable to contribute is £1. There were 18 members at 31 July 2019 (2018:14).

**Note 18. Analysis of Group Net Assets between Funds**

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Fixed assets	137,672	-	137,672	131,003
Current assets	60,176	32,593	92,769	94,993
Current liabilities	(43,083)	(24,004)	(67,087)	(68,764)
Liabilities due after one year	(22,637)	(8,535)	(31,172)	(25,319)
<b>Group net assets</b>	<b>132,128</b>	<b>54</b>	<b>132,182</b>	<b>131,913</b>

**Note 19. Unrestricted funds**

	Balance 1 Aug 2017 £'000	Income £'000	Expenditure £'000	Investment movements £'000	Transfers £'000	Balance 31 July 2018 £'000
<b>Charity and Group Designated funds</b>						
Social Change Fund (previously The Grant fund)	78,388	28,784	(33,899)	-	-	73,273
Common Ground Initiative I	284	-	7	-	-	291
Common Ground Initiative II	(4,529)	3,130	(399)	-	-	(1,798)
The Bill & Melinda Gates Foundation	578	445	(196)	-	-	827
Red Shed	8,682	-	(460)	-	-	8,222
Fixed Asset Reserve	1,201	-	-	-	(577)	624
<b>Total Designated Funds</b>	<b>84,604</b>	<b>32,359</b>	<b>(34,947)</b>	<b>-</b>	<b>(577)</b>	<b>81,439</b>
<b>Group - General Reserve</b>	<b>50,543</b>	<b>7,041</b>	<b>(21,790)</b>	<b>15,562</b>	<b>577</b>	<b>51,933</b>
<b>Total Group</b>	<b>135,147</b>	<b>39,400</b>	<b>(56,737)</b>	<b>15,562</b>	<b>-</b>	<b>133,372</b>
<b>Total Charity</b>	<b>134,997</b>	<b>37,697</b>	<b>(55,034)</b>	<b>15,562</b>	<b>-</b>	<b>133,222</b>
	Balance 1 Aug 2018 £'000	Income £'000	Expenditure £'000	Investment movements £'000	Transfers £'000	Balance 31 July 2019 £'000
<b>Charity and Group Designated funds</b>						
Social Change Fund (previously The Grant fund)	73,273	50,098	(57,805)	-	-	65,566
Common Ground Initiative I	291	-	3	-	-	294
Common Ground Initiative II	(1,798)	2,029	(190)	-	-	41
The Bill & Melinda Gates Foundation	828	-	(26)	-	-	802
Red Shed	8,221	-	(387)	-	-	7,834
Fixed Asset Reserve	624	-	-	-	(90)	534
<b>Total Designated Funds</b>	<b>81,439</b>	<b>52,127</b>	<b>(58,405)</b>	<b>-</b>	<b>(90)</b>	<b>75,071</b>
<b>Group - General Reserve</b>	<b>51,933</b>	<b>8,700</b>	<b>(16,879)</b>	<b>13,213</b>	<b>90</b>	<b>57,057</b>
<b>Total Group</b>	<b>133,372</b>	<b>60,827</b>	<b>(75,284)</b>	<b>13,213</b>	<b>-</b>	<b>132,128</b>
<b>Total Charity</b>	<b>133,222</b>	<b>58,714</b>	<b>(73,171)</b>	<b>13,213</b>	<b>-</b>	<b>131,978</b>

**Social Change Fund (previously The Grant Fund)** represents all unrestricted income received from campaigns and fundraising events, and is used to support work tackling poverty and social injustice.

**The Common Ground Initiative** is managed by Comic Relief and co-funded by UKAid from the Department for International Development.

**The Common Ground Initiative II** is managed by Comic Relief and co-funded by UKAid from the Department for International Development.

**The Bill & Melinda Gates Foundation** represents a general grant that has been designated by the trustees of Comic Relief to support the expansion of Comic Relief's international activities, to develop creative ways of demonstrating success stories from Africa, to engage millennials and to support global advocacy.

**Red Shed** is a designation of funds that were generated entirely from prior year investment gains, to create, catalyse and pilot innovative and new ways to tackle the relief of poverty and social injustice in the UK and internationally by individuals and new enterprises.

**Fixed Asset Reserve** represents a designation of funds equal to the net book value of the fixed assets.

## Note 20. Restricted funds

Group and charity	Balance 1 August 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 July 2019 £'000
#iwill Youth Social Action Fund	223	-	(192)	-	31
British Airways	-	1,000	(1,500)	-	(500)
Digital Spark	-	100	(100)	-	-
Donor Acquisition and Engagement Campaign	340	-	(340)	-	-
GSK Malaria Fund	(2,658)	3,411	(2,547)	-	(1,794)
London Together	3	244	(483)	-	(236)
DCMS - Tampon Tax 1	(637)	669	(19)	-	13
DCMS - Tampon Tax 2	-	1,729	(2,914)	-	(1,185)
Jersey Overseas Aid	3,957	-	(3,257)	-	700
Kentucky Fried Chicken Foundation	-	200	(1)	-	199
Levelling the Field	(207)	200	(8)	-	(15)
M.A.C Aids	162	-	(42)	-	120
Paddy's Day Gig	-	126	(126)	-	-
Premier League Football Initiative	(1)	-	-	-	(1)
Sainsbury's Fair Development Fund	582	-	(8)	-	574
Sport England	150	-	-	-	150
Sport for Development Coalition	9	73	(77)	-	5
Steve Redgrave Fund	23	-	(23)	-	-
Tech for Good	4	-	-	-	4
Tech for Good 2	-	400	(192)	-	208
Tech Vs Abuse	42	-	(37)	-	5
Tech Vs Abuse 2	-	600	(19)	-	581
Urban Slums and Maternal, Newborn and Child Health	-	-	(10)	-	(10)
The Bill & Melinda Gates Foundation	3,537	7,543	(7,309)	-	3,771
The BT Supporters Club	1,082	2,909	(3,404)	-	587
The Laurie Family Fund	87	-	(27)	-	60
The Queen's Young Leaders Programme	-	798	(474)	-	324
The Sing Fund	18	-	-	-	18
The Vodafone Foundation	187	-	77	-	264
Try 4 Change	(57)	-	(21)	-	(78)
UKAid Match Funding	376	-	-	-	376
UKAid Match Funding All in All Learning	(4,664)	2,222	(63)	-	(2,505)
UKAid Match Funding Global Mental Health Matters	-	4	-	-	4
UKAid Match Funding Maanda	(1,039)	446	(44)	-	(637)
UKAid Match Funding Slums	(493)	534	(305)	-	(264)
UKAid Match Funding Trade & Enterprise	(2,463)	1,451	(28)	-	(1,040)
Other Restricted Funds	(22)	502	(155)	-	325
<b>Total Restricted funds</b>	<b>(1,459)</b>	<b>25,161</b>	<b>(23,648)</b>	<b>-</b>	<b>54</b>

These restricted balances will be used to support future projects in accordance with Comic Relief's funding principles and the wishes of the respective donors. Grant costs are recognised in full when the funding is awarded whereas the related income is recognised only when the cash is received or when it becomes receivable and when any conditions for receipt have been met. This can result in negative balances on some funds which will be covered by future income received against those funds.

**#iwill Youth Social Action Fund** has been set up by **The Office for Civil Society**, and **The Big Lottery Fund**. The match funded grant of £1m will be used to invest in a wide range and a variety of scalable and sustainable social action opportunities for young people across England.

The £2.25m raised by **British Airways** is invested into projects focusing on early childhood development over 2 years. The projects in South Africa and Ghana will support thousands of children under five to not only survive but thrive. The projects in UK will deliver a suite of services to help ensure parents give their young children a happy & healthy start in life.

**Paul Hamlyn Foundation** has awarded £0.1m towards the **Digital Spark** programme. The collaborative initiative seeks to support the UK charity sector to respond to digital change and use digital technology more effectively to meet their beneficiaries' needs.

A grant from the **Bill and Melinda Gates Foundation** will enable Comic Relief Inc. in the USA to generate and grow income from donations through a donor acquisition and engagement campaign.

**GSK Malaria Fund** is a collaboration between **GlaxoSmithKline** and **Comic Relief** to improve health in malaria endemic countries in sub-Saharan Africa.

**London Together** is a £3m 3 year funding partnership fund between Comic Relief and the **Greater London Authority Mayors Fund**. The fund invests in projects that use sport to improve social integration in London.

**Note 20 - Restricted funds (continued)**

**DCMS - Tampon Tax 1** is a five year grant made by the **Minister for the Cabinet Office**, through the Office for Civil Society, of £3 million, with **Comic Relief** committing another £1 million, to fund organisations that support women's charities that are making significant impact in the lives of women, including health, wellbeing, domestic violence and education initiatives, and support services for vulnerable women.

**DCMS - Tampon Tax 2** is a five year grant made by the **Minister for the Cabinet Office**, through the Office for Civil Society, of £3 million, with **Comic Relief** committing another £1 million, to fund organisations that support women's charities that are making significant impact in the lives of women, including health, wellbeing, domestic violence and education initiatives, and support services for vulnerable women.

**Jersey Overseas Aid** and **Comic Relief** is a four-year partnership that aims to improve access to affordable financial services. **Branching Out: Financial Inclusion at the Margins** is an exciting programme that aims to give individuals and small businesses access to affordable financial services including bank accounts, savings, insurance and credit. It will provide low-income households with the means to plan for everything from long-term goals to unexpected emergencies. Jersey Overseas Aid have committed £4 million with Comic Relief committing another £4 million.

The **Kentucky Fried Chicken Foundation** has committed to donate £3m to Comic Relief for a 3 year programme. The year one partnership will top up existing projects focusing on helping young people fulfil their potential.

Working in partnership with the **Scottish Government** and the **HM Treasury**, the **Levelling the field** initiative aims to empower women and girls to reach their full potential through the power of sport, both in the UK and internationally.

**M.A.C AIDS Fund** has given £1 million which is being matched with £1m by Comic Relief to support projects in the UK and sub-Saharan Africa with the goal of improving the quality of life of people with HIV and other highly vulnerable groups, and to strengthen their engagement in the response to the HIV epidemic.

The amounts raised by the annual **Paddy's Day Gig** in Ireland, focus on Comic Relief's a Safe place to Be Pillar and are split between International projects and Irish domestic projects by Irish regulations.

The **Premier League Football Initiative** is a partnership between **Premier League** and **Comic Relief** which jointly contribute £2.3million for a two year period. The programme supports young people from disadvantaged backgrounds to help prepare them for business, employment and self-employment. In addition, it focuses on raising the confidence and improving school performance of those taking part in the programme.

**J. Sainsbury plc** and Comic Relief support the **Fair Development Fund** through a £2m match-funding grant over four years. The Fair Development Fund targets workers and smallholder farmers in Sainsbury's supply chains across Africa, promoting fairer working conditions and increased incomes to enable long-term sustainable livelihoods. Sainsbury's have contributed £250k per year for 4 years. Sainsbury's also provide a £1 million in-kind contribution directly to the grant recipients.

**Sport England** has awarded £0.15 million towards the development of the **Sport for Development Coalition** capacity and development support.

**Sport England** has awarded £0.3 million towards the development of Sport Relief focusing particularly on working with underrepresented groups, engaging workplaces and maternal wellbeing and mental health.

**Steve Redgrave Fund**. The **Sir Steve Redgrave Charitable Trust** transferred its assets to **Comic Relief**, who have established this fund to continue the work of the Trust to fund projects which support disadvantaged children and young people in the UK.

**Tech for Good** is a Social Tech initiative, co-funded by Comic Relief and **Paul Hamlyn Foundation**. Tech for Good supports not-for-profit organisations to develop or scale digital projects which deliver new or improved services to beneficiaries.

**Tech for Good 2** is a Social Tech initiative, co-funded by Comic Relief and **Paul Hamlyn Foundation**. Tech for Good 2 follows on from Tech for Good to support not-for-profit organisations to develop or scale digital projects which deliver new or improved services to beneficiaries

**Tech vs Abuse** is a programme funded by a **Big Lottery Fund** contribution of £305k and Comic Relief who provided £318k made up of funds from **HM Treasury**. Comic Relief makes grants to organisations that work with women and girls affected by abuse. The purpose of the programme is to invest in projects that focus on the design challenges and principles identified through Comic Relief's research results of their 2015 'Tech for Good' initiative to understand how technology and digital tools can be used to support people.

The **Tech vs Abuse 2** programme is a collaborative research project undertaken by Think Social Tech, Snook, and SafeLives, commissioned by Comic Relief, in partnership with **Esmée Fairbairn Foundation**, and the **Clothworkers Foundation**. The funding programme was designed around these research findings and the insights it gathered from key organisations across the sector to support the development of technology that will improve the situation for people affected by domestic abuse.

**20. Restricted funds (continued)**

**Urban Slums and Maternal, Newborn and Child Health (MNCH)** . This is a partnership agreement with the **Big Lottery Fund** that funds projects in the areas of urban slums and MNCH, to learn what can be achieved through collaboration with another funder, to generate shared learning about ways of working and international funding experience, to widen connections with the international funding sector and to inform and communicate with the UK development sector on what the collaboration aims to achieve.

**The Bill & Melinda Gates Foundation** is providing match funding towards grants to the Global Fund to fight AIDS, tuberculosis and malaria, and to The Challenge Initiative, to increase women's access to family planning and reproductive health services.

**The BT Supporters Club** is a Comic Relief initiative in partnership with **BT Sport**. Subscribers to BT Sport are given the opportunity to add a monthly donation to their BT bill, with money raised used to support projects both here in the UK, and in some of the world's poorest countries. BT also make a contribution to cover the operating costs and management of the fund.

**The Laurie Family Fund** is funded through donations from the Laurie family and supports projects in the UK and internationally.

**The Queen Elizabeth Diamond Jubilee Trust** is a match funding grant which launched The Queen's Young Leaders Programme to support young people from across the Commonwealth with a particular focus on youth unemployment and enterprise.

**The Sing Fund** was set up with **Annie Lennox** to support projects tackling HIV/AIDS in Africa.

**The Vodafone Foundation.** These funds are intended to support the international development of Comic Relief, including scoping the landscape and potential for fundraising in five territories where Vodafone has an operating company, and exploring the potential for collaboration on grant-making in Africa around health and education projects.

**Try 4 Change Fund** is a fund developed by the **Rugby Football Union** and Comic Relief to support a range of projects that will use rugby as a tool for social change.

The negative balances relating to **UKAid (Department for International Development Match Funding)** arise because income is only recognised on entitlement to income from Department for International Development, but the corresponding onward funding is recognised in full at the time it is awarded. These negative fund balances will be eliminated over a number of years as income due is received from Department for International Development.

**UKAid Match Funding** is a co-funding arrangement created as part of Red Nose Day 2011 whereby Department for International Development committed to match fund up to £16million of Red Nose Day funds raised by the public which Comic Relief has allocated for health and education projects in Africa.

**UKAid Match Funding All in, All learning!** is a co-funding arrangement created as part of Red Nose Day 2015 whereby Department for international Development committed to match fund up to £10million of Red Nose Day funds raised by the public which Comic Relief will allocate towards education in sub-Saharan Africa.

**UKAid Match Funding Global Mental Health Matters** is a co-funding arrangement created as part of Red Nose Day 2019 whereby the UK Government's Department for International Development committed to match fund up to £2 million of Red Nose Day funds raised by the public which Comic Relief will allocate to mental health projects in Kenya.

**UKAid Match Funding Maanda Initiative** is a co-funding arrangement created as part of Red Nose Day 2013 whereby Department for International Development committed to match fund up to £16million of Red Nose Day funds raised by the public which Comic Relief will allocate towards improving the lives of women and girls in sub-Saharan Africa.

**UKAid Match Funding Slums Initiative** is a co-funding arrangement created as part of Sport Relief 2012 whereby Department for International Development committed to match fund up to £10million of Sport Relief funds raised by the public which will be allocated towards slums projects in four cities in Africa.

**UKAid Match Funding Trade & Enterprise Initiative** is a co-funding arrangement created as part of Sport Relief 2014 whereby Department for International Development committed to match fund up to £10million of Sport Relief funds raised by the public which Comic Relief will allocate towards supporting income generation and enterprise growth across sub-Saharan Africa.

**Other Restricted Funds** include donations given by a number of individuals who have chosen to support specific areas of our grant making.

**Note 21. Contingent Assets**

As at 31 July 2019, the Charity has entered into funding agreements where the Trustees have concluded that not all conditions for recognition of the grant income have been met. The Trustees expect that the conditions in these agreements will be fulfilled over the course of the next five years. The unrecognised value of these agreements is up to £33m (2018: £33m)

**Note 22. Contingent Liabilities**

As at 31 July 2019, the Charity had entered into a £1m. development impact bond with The British Asian Trust. The Trustees have concluded that not all conditions for recognition of the expenditure have been met for the full amount and a payment of £191k has been made. The Trustees expect that the conditions in this agreement will be fulfilled over the course of the next three years. The unrecognised value of this agreement is £809k (2018: £ 1m)

**Note 23. Commitments under operating leases**

At 31 July 2019, the group had a total value of minimum future lease payments as follows:

	2019 £'000	2018 £'000
Payments due		
Land and buildings: within one year	639	639
Land and buildings: between 1 and 5 years	-	639
Plant and equipment : within one year	13	11
Plant and equipment : between 1 and 5 years	-	12
	<u>652</u>	<u>1,301</u>

**Note 24. Management of Liquid Resources - Group**

	2019 £'000	2018 £'000
Net (decrease)/increase in current asset investments	<u>(18,599)</u>	<u>3,385</u>

**Note 25. Analysis of changes in Net Funds**

Group	At 1 August 2018 £'000	Cash flows £'000	At 31 July 2019 £'000
Cash at bank and in hand	2,186	2,754	4,940
Current asset investments	64,142	(18,599)	45,543
Total	<u>66,328</u>	<u>(15,845)</u>	<u>50,483</u>

**Note 26. Related parties***Comic Relief Inc.*

Comic Relief Incorporated (Comic Relief Inc. previously known as America Gives Back Inc.) is a 501(c)(3) charitable organisation registered in the United States in 2007

Richard Curtis is a Trustee of Charity Projects and Vice President of Comic Relief Inc. Kevin Cahill is Honorary Life President of Charity Projects and a Trustee of Comic Relief Inc. The remaining nine Trustees of Comic Relief Inc. are independent of Charity Projects.

Charity Projects provides Comic Relief Inc. with the Comic Relief brand as part of a licence agreement. Under the same agreement Charity Projects observes Comic Relief Inc. board meetings but carries no voting rights or power to remove Comic Relief Inc. board members and has no beneficial interest in Comic Relief Inc. Therefore, Comic Relief Inc. is neither a subsidiary nor an associate of Charity Projects

In May 2019, the fifth Red Nose Day USA was produced by Comic Relief Inc. in partnership with NBC Universal under license from Charity Projects. A license fee of £50k (2018: £50k) was charged by Charity Projects.

In 2017, following discussions with the Bill & Melinda Gates Foundation a core grant from the Foundation to Charity Projects, was sub-granted from Charity Projects to Comic Relief Inc. to support the production of Red Nose Day USA £0.7m (\$0.9m) for 2017/18, no further subgrants were made in 2018/19.

In 2019, Charity Projects provided no funding (2018: £0.5m) to Comic Relief Inc. into their Ignite Fund to help Comic Relief Inc. move to the next level of reach and fundraising.

Comic Relief Inc's year end is 31 December. The unaudited income raised from Red Nose Day USA 2019 was \$43.2m (2018: \$46.9m).

**Note 26. Related parties (continued)**

*Other related parties.*

During the year, Comic Relief Limited charged £1.4m (2018: £1.8m) to Charity Projects as a licence fee for the use of the Comic Relief brand in an onward licence to Comic Relief Inc.

Charity Projects charges Comic Relief Limited a management fee for shared staff, premises, depreciation and other support costs. The charge is based on the ratio of income for each entity. For 2019 the fee was £1.6m (2018: £1.2m).

Comic Relief Limited transfers its total net taxable profit to Charity Projects at the end of each year under gift aid. For the year ended 31 July 2019 this was £11m (2018: £5.7m).

At 31 July 2019 Comic Relief Limited owed £8.1m (2018: £3.2m) to Charity Projects.

During the year Trustees and key management personnel made personal donations totalling £3k (2018: £1k).

Tim Davies, our Chair, is the Chief Executive Officer of BBC Studios the company which produces the Night Of TV. Co-production fees of £0.75m were due from BBC Studios to Comic Relief at 31 July 2019 (£0.4m 2017/18) and a payment of £0.004m (£0.01m 2017/18) was made by Comic Relief to BBC Studios for production

Theo Sowa, one of our Trustees during the year, is the Chief Executive Officer of the Africa Women's Development Fund. During 2018/19 payments of £0.28m (£0.28m 2017/18) relating to two grants worth £2.74m awarded in prior years were paid. Theo was not part of the grant making decision process in relation to this funding