

CHARITY PROJECTS ANNUAL REPORT AND ACCOUNTS

2019-2020

COMIC
RELIEF

CONTENTS

CHAIR'S REPORT	4
INTERIM CEO'S REPORT	5
OUR STRATEGY, VALUES AND HOW COMIC RELIEF WORKS	6
Our vision and strategic goals	6
Progress against our strategic goals	7
Looking ahead	9
Our values	10
How Comic Relief works	11
OUR IMPACT	12
Highlights	12
Key numbers	13
COVID-19 response	14
Funding alignment with strategy	14
UK and international funding	16
Tracking impact and progress against our Social Change Strategy	16
Investments within the four themes	18
INVESTMENTS USING THE THREE APPROACHES	20
Our influencing work	22
ENGAGEMENT AND INCOME	23
Sport Relief 2020	23
Love Wins: Comic Relief continues to respond to COVID-19	28
Our approach to fundraising	28
Fundraising standards	28
Safety during fundraising activities	29
Helping our supporters	29
FINANCE AND RESOURCES	30
Steering Comic Relief through a year like no other	30
Financial review	31
Fixed asset investments	34
Going concern	35
Energy and carbon use	35
Remuneration at Comic Relief	36
Diversity	39
Employment policies	39
GOVERNANCE	40
Structure and operations	40
Trustees	41
Trustee liability	42
Trustee tenure and code	42
Governance changes	42
Executive Directors	43
Stakeholder considerations	44

KEY RISKS AND UNCERTAINTIES	51
Risk overview	51
Risk framework and controls	51
Our risk management principles	51
Roles and responsibilities	52
How we manage our key risks and uncertainties	53
PUBLIC BENEFIT AND STRATEGIC REPORT	58
STATEMENT OF TRUSTEES' RESPONSIBILITIES	59
REFERENCE AND ADMINISTRATIVE DETAILS	61
INDEPENDENT AUDITOR'S REPORT	62
FINANCIAL STATEMENTS	65
Consolidated statement of financial activities	66
Balance sheet	68
Consolidated statement of cash flows	70
Notes to the financial statements	71

CHAIR'S REPORT

I write this report at the end of a very challenging year. Our thoughts are, of course, with all those affected by the COVID-19 pandemic that has hit the most vulnerable people the hardest. And yet we should also celebrate how people have stood together - from neighbours and local communities to front line responders and large-scale organisations.

Charities have shown just how important they are, and how they are needed now more than ever. Supported by donors, fundraisers, and partners, the help and support they have provided in this unprecedented crisis has been truly phenomenal. Comic Relief is proud to have played its part through both Sport Relief and The Big Night In.

These brilliant shows were huge successes drawing mass audiences, with over four million tuning in for Sport Relief and an incredible eight million watching during a national lockdown for The Big Night In. They highlighted the power Comic Relief has to entertain and help unite the nation. They also showcased how the generosity of the public, even in such uncertain times for so many, makes a vital difference.

The coming together of the BBC, Comic Relief and BBC Children in Need for The Big Night In is a prime example of key and influential organisations uniting and working towards the same goal; to help as many people as much as possible in extraordinary times.

After 7 wonderful years serving as the Chair of Comic Relief, I now step down and pass on the role of Chair to someone who I know is as committed as I am to the incredible work Comic Relief does and who also has fresh ideas to drive forward this unique charity.

I am delighted that Eric Salama accepted the role as Chair. As a former CEO of Kantar, one of the world's leading data insights and consulting companies and a board director of WPP for a decade, he has advised many of the world's leading companies and non-commercial organisations as well as working as a non-executive director of the Department for International Development (now Foreign Commonwealth and Development Office - FCDO).

I must also take this opportunity to thank Interim CEO, Ruth Davison, who through difficult times has shown professionalism, strategic vision and empathetic leadership that has made what could have been a very challenging year, a year of significant impact for this charity.

That just leaves me to say thanks to all the wonderful staff, our brilliant Trustees and all the many, many people who have supported us. I look forward to watching Comic Relief go from strength to strength and will always remain a committed supporter.

Thank you.



Tim Davie

INTERIM CEO'S REPORT

This has been a year like no other. The unprecedented global COVID-19 pandemic is having a profound effect on billions of people and changing almost every aspect of our lives. As a charity we have faced significant challenges to our normal funding patterns, team working, and delivering our high-profile fundraising campaigns.

But throughout this period of immense uncertainty two things have been equally clear:

Firstly, the vital work of the charities we support is needed more than ever by the vulnerable people and communities around the world who have been hit hardest by this pandemic.

Secondly, that in times of crisis we pull together - from neighbours looking out for each other, to local charities helping distribute food and galvanising moments such as 'Clap for our Carers' when we all showed our appreciation of those on the frontline of the response.

Both Sport Relief and The Big Night In captured this community spirit and told many stories about normal people doing incredible things to help others. Most importantly, they raised vital funds that we were able to award to charities who desperately need them to scale their response and meet the surge in demand.

We overcame several COVID-19 related challenges at the start of 2020 just before the first national restrictions and delivered a successful Sport Relief in March, raising an amazing £41m, even more than the previous Sport Relief campaign.

Together with the BBC and BBC Children in Need we then delivered The Big Night In; a truly unique evening of entertainment, raising an incredible £74m of emergency funding to help support people across the UK who really need it through these extraordinary times. I am delighted that this Annual Report tells the story of how we secured and have distributed these funds to make a real and lasting difference to people's lives.

I feel honoured to have led this unique charity as Interim CEO throughout this unforgettable period and I am beyond proud of the organisations we fund and our partners who provide such vital support to the most vulnerable people.

I want to send a huge and heartfelt thank you to our staff and Trustees as well as our supporters and fundraisers who have made a true and real difference in a time when it is needed more than ever.

Thank you so much.



Ruth Davison

OUR STRATEGY, VALUES AND HOW COMIC RELIEF WORKS

Our vision and strategic goals

Comic Relief has a vision of a Just World, Free From Poverty.

Our purpose is to work towards this vision by entertaining and engaging the general public in order to accelerate positive change in society. This approach is underpinned by our values and our organisational strategy.

Our 2017-2022 organisational strategy has four strategic goals that we use to focus our work and against which we set annual objectives:

- Increasing our impact;
- Increasing our engagement and income;
- Creating a future-fit organisation; and
- Enabling focussed growth.

This report provides an overview of how our values and strategy have equipped us to respond in an exceptional way to an exceptional year. It provides an overview of our work in five core sections:

- Our Impact – how we have distributed our funding and influenced wider change.
- Engagement and Income – how we have entertained and engaged the public, both through our own fundraising and in partnership with others.
- Finance and Resources – how we have managed our charity and how we continue to create a future-fit organisation.
- Governance – how we have governed our charity.
- Key risks and uncertainties – how we have managed and mitigated our key risks and uncertainties.

Progress against our strategic goals

Below is a summary of progress' we have made towards each of our four goals.

Strategic goal	Progress
<p>Increasing our impact 2019/20 objective:</p> <p>To have accelerated the social impact Comic Relief has on poverty and injustice through funding but also via the wider influencing agenda</p>	<p>During the second full year of implementing our Social Change Strategy we awarded over £84m of funding, making 465 investments through 11 open funding calls. 369 of those organisations were funded for the first time and over 60% of international investments funds awarded went directly to the Global South.</p> <p>We are particularly pleased to have been able to support funded partners to adapt and respond to the COVID-19 pandemic, awarding over £27m of investments to help frontline organisations respond to people's immediate needs as well as to plan for longer-term recovery after the crisis.</p>
<p>Increasing our engagement and income 2019/20 objective:</p> <p>To increase our engagement and income</p>	<p>This year we have been incredibly moved by the generosity of the UK public. As a result of their engagement with our appeals, we raised £41m through our planned Sport Relief campaign, and also over £74m along with BBC Children in Need and the BBC (which included match funding by the Government and of which £28.4m accrued to Comic Relief) in the Big Night In, our response to the COVID-19 pandemic.</p> <p>We have also increased the income we raise between our campaign periods, expanding our merchandise range and introducing new forms of fundraising such as our online comedy club and securing new partners. These have all provided new ways for the UK public to engage with us between our main appeal moments.</p> <p>We are proud that, during such a challenging time, we have seen our levels of engagement and non-campaign income grow, enabling us to support more frontline charities.</p>

Strategic goal	Progress
<p>Creating a future-fit organisation 2019/20 objective:</p> <p>To be recognised as a great place to work and develop</p>	<p>Even before the pandemic, Comic Relief was considering what needed to change in the organisation to enable it to survive and thrive in the coming years. Significant initiatives this year include:</p> <ul style="list-style-type: none"> ■ Formalising our Diversity and Inclusion (D&I) strategy and launching this internally and externally after a year of cross-organisational consultation; ■ Renovating our office to simultaneously reduce our footprint and costs and to enhance our workspace; ■ Initiating a restructuring process aimed to reduce organisational costs and streamline the structure; and ■ Transitioning all staff to full remote working and ensuring all staff were able to work productively and safely during the pandemic.
<p>Enabling focussed growth 2019/20 objective:</p> <p>To have reduced our impact on the environment and enhanced our social contribution in our day to day business conduct</p>	<p>Major progress has been made this year in relation to Comic Relief's environmental impact as we moved to a plastic free Red Nose ahead of Red Nose Day 2021. We have also removed all single use plastic from our merchandise range.</p> <p>Our D&I strategy is also significant here, addressing not just who we are as an organisation but also how we represent those we work with and for. We are proud to have committed ourselves to specific actions that will make our fundraising more progressive. This includes all our new films being made by local film makers and all of them featuring local people telling their own stories in their own words.</p>

Looking ahead

As we are at the end of the third year of our strategic plan, we have started the process of reviewing and revising our strategy. For the coming year, 2020/21, we have outlined four high level objectives to continue to deliver against our strategy:

Increasing our impact

- To accelerate the shifting of power to those closest to the issues we fund in areas such as funding design and practice.
- To ensure that representation is at the heart of our fundraising and creative processes.

Increasing our engagement and income

- Recognising the extremely challenging macro-economic context, we aim to maintain our income levels, but to grow our unrestricted funding streams and achieve a balanced income mix.

Creating a future-fit organisation

- To continue to engage and develop staff and embed an inclusive and supportive culture.
- To drive forward Comic Relief's Environmental, Sustainability and Governance policy.

Enabling focussed growth

- To develop a clear technology roadmap that will create a digital culture within Comic Relief, as well as delivering new finance and donations systems to underpin our core activities.
- To ensure our cost base is appropriate for our income level.

Whilst we will report fully against these in next year's report, significant progress has been made at this early stage of the 2020/21 financial year which is worth noting here:

To ensure that representation is at the heart of our fundraising and creative processes

We have been changing our approaches to international appeal films over the last year to ensure that the people we want to support are at the heart of their own stories. That means our stories are led by project workers, doctors, teachers, parents and local members of the community. We believe this is the right thing to do and will give our viewers a closer, more authentic look at the issues, directly from people who are working at the grassroots level.

We used this approach to produce a range of appeal films for Sport Relief in March 2020 which showed how powerful they can be. Instead of sending guests and celebrities to the projects – both internationally and in the UK, frontline workers introduced the films, or narrated part of them – keeping the focus on the people we are helping, and it really works.

To drive forward Comic Relief's Environmental, Sustainability and Governance policy

Despite all the immense challenges we are pleased to share a major step we have made in our sustainability goals. This year we have finalised the design of our first plastic-free, plant based Red Nose, which will be on sale for Red Nose Day 2021. The new Red Nose has taken over 18 months to develop, following extensive research and testing into suitable plastic-free alternative materials and is made from bagasse, a natural by-product of sugarcane.

Ensuring our cost base is appropriate for our income level

The full financial impact of the Coronavirus pandemic has of course not yet emerged, but we know the crisis is forcing many organisations, especially charities, to reduce their costs. Comic Relief is no exception and during the summer we accelerated plans to become more effective and efficient by restructuring and downsizing our core team and reducing our office space to help save substantial operational costs on an ongoing basis. We ensured this had no impact on the funding commitments we had made and have distributed more funding during 2019/20 than we did in 2018/19.

Our values

We introduced new values at the start of the financial year and they underpin and inform everything we do. Numerous initiatives and actions across the year, including starting meetings with ‘values check-ins’, have helped us live and breathe our values.

COMIC RELIEF VALUES

We are determined optimists who believe the world can be better. That means we’re proud of what we’ve done so far but are always committed to social change.

INSPIRE A CULTURE OF GENEROSITY

Through unique relationships with schools, the public, and fundraising.

WALK THE WALK

Giving respect and positivity to the work of Comic Relief internally and externally.

HAVE A SENSE OF HUMOUR, ALWAYS

Even if we’re facing adversity or fighting for change we can raise a smile.

BREAK DOWN BARRIERS

By being brave, acting in solidarity, and standing up for what is right.

MAKE IT PERSONAL

We celebrate diversity of experience as our greatest resource and strength.

MAKE MEANINGFUL CHANGE

Putting people with experience of the issues we care about at the heart of decision making.

SHARE THE STAGE

Enabling people to tell their own stories on our platforms. And listening.

How Comic Relief works

Comic Relief is one of the UK's largest and best loved charities. Since the 1980s we have used the power of entertainment to engage people across the UK, and around the world, to support life-changing projects that help people break free from poverty and tackle injustice. Information on how we're structured can be found on page 40.

How and what we fund is determined by our Social Change Strategy, which is determined by our Board with due regard to the guidance of the Charity Commission, particularly in relation to public benefit. We work to the highest professional standards to award the funds we raise to charitable organisations. The funds that are generously donated to us are typically allocated over a two-year period through a series of 'funding calls'. In a deliberate effort to avoid using paternalistic language we refer to the funds we award as philanthropic investments, rather than grants. Philanthropic investments made to partners through these funding calls usually last for between one and five years. We have rigorous systems to make sure we are funding projects that will make a significant difference to those living in poverty or facing injustice here in the UK and in some of the world's poorest communities.

While we are working to allocate money, the funds are held in a carefully managed investment portfolio, in line with our investment approach, which can be seen in the Finance and Resources section. The return on this investment portfolio goes towards paying the costs of Comic Relief's fundraising campaigns and other running costs.

This year has been an exceptional year – and for funds raised during The Big Night In we adopted a different approach. Given the immediate need brought about by the COVID-19 pandemic our approach has been to distribute funds as quickly as possible.

OUR IMPACT

Highlights

This has been a hugely busy year. As a funder, we are continually learning and adapting our approach to ensure we can maximise our impact. The COVID-19 pandemic has challenged our thinking and our response. This section of the Annual Report sets out how we have responded to that challenge and delivered against our Social Change Strategy.

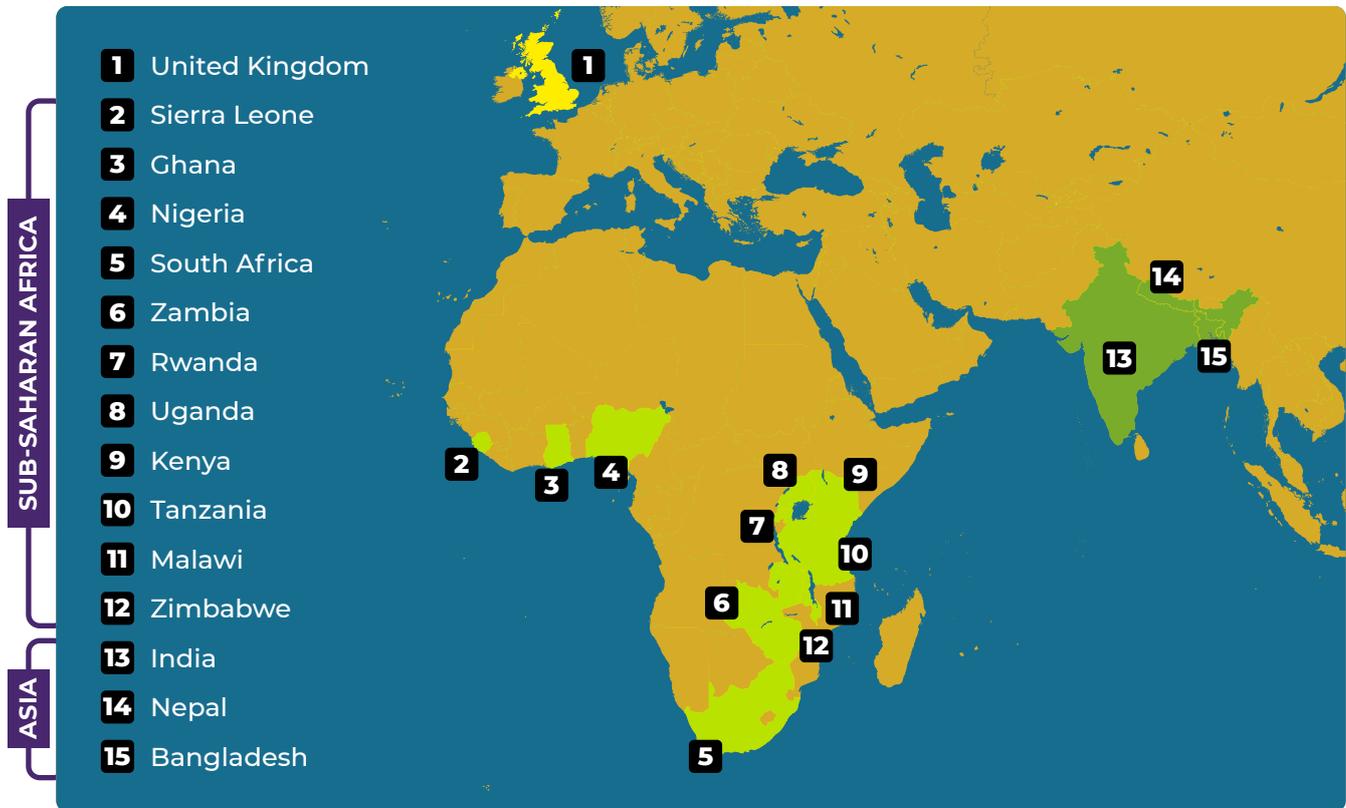
We have continued to invest in line with our charitable purpose of tackling poverty and social injustice in the UK and internationally, whilst raising awareness, education and social change, all through the lens of our four thematic issues:

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

We opened 11 funding calls during the year, totalling £84.2m (£8.8m more than we awarded last year) continuing to focus on the UK and our target 14 countries across Africa and Asia, as well as funding along migration routes from the Middle East and North Africa into Europe under our Across Borders programme. As the devastating impact of COVID-19 has been felt around the world we have supported our funded partners as they adapt and respond to the pandemic, and have so far awarded funding of more than £27m to help meet people's immediate needs and to support organisations to plan for the medium and long-term recovery.

Building on learning from the first year of implementing our Social Change Strategy, we have continued to offer flexible and core funding, have extended our work with intermediary partners to reach grassroots and community-based organisations, and have increased the percentage of our funding going directly to the Global South. We have continued to focus on collective learning, drawing together organisations working on the same issue in different contexts around the world. This has been particularly valuable in the wake of COVID-19, where our funded partners have been able to use these networks as a space to reflect and learn.

The picture below shows the countries where we focus our funding:



Key numbers

£84.2M

Total value of investments awarded

11

Number of funding calls opened

998

Number of applications received

465

Number of investments awarded

369

Number of organisations supported with new investments

63

Number of international investments that were direct investments in the Global South

COVID-19 response

We are all experiencing unprecedented times due to the Coronavirus pandemic, requiring exceptional responses and ways of working. To that end we have awarded £27.1m in response to the COVID-19 crisis, providing immediate emergency funds, longer-term support and flexible use of existing investments to support our partners and the communities they work in.

Through the extraordinary generosity of the British public we were able to distribute money raised from The Big Night In totalling £21.8m and a further £1.4m from existing funds to UK based organisations responding to COVID-19. This funding is being distributed in a number of ways, to meet short, medium and long-term needs, including:

- Emergency funding totalling £10.85m distributed through large organisations who are experts in their fields and have national reach, who can get urgent funding to smaller local community and grassroots organisations at the heart of the COVID-19 response.
- Recognising the disproportionate impact of COVID-19 on Black, Asian and Minority Ethnic communities, and the historic under-funding of organisations working with these communities, we invested £3.7m in partnership with the National Emergencies Trust to Black, Asian and Minority Ethnic -sector organisations. These organisations act as intermediary funders to reach local Black, Asian and Minority Ethnic community organisations at the forefront of the COVID-19 response.
- We also recognise the intersecting issues faced by LGBTQ+ communities in light of COVID-19 and have awarded £650k to METRO Charity to act as an intermediary funder to reach local LGBTQ+ community organisations across the UK.
- Our existing funded partners were offered the opportunity to apply for flexible funding of up to £40k for up to 6 months. Through this programme we have supported 201 of our existing funded partners with funding totalling over £6.5m.
- In June 2020 we launched our Change Makers programme, which aims to support organisations across the UK that will make a significant contribution to their sector to achieve real and sustainable change in the wake of COVID-19. Programmes will align with our social change themes of homelessness and forced migration (collectively 'A safe place to be'), gender justice, mental health, and early childhood development, forging new ways of working as we start to recover and rebuild from the impact of the pandemic.

Internationally, we committed over £3.9m in response to COVID-19 to organisations supporting some of the most minoritised people and communities in our focus countries in Africa and Asia, as well as along migration routes from the Middle East and North Africa into Europe. These organisations act as intermediary funders, directing funding to grassroots organisations that are meeting people's immediate basic needs as well as planning for the medium and longer term impacts of the crisis.

Funding alignment with strategy

Our Social Change Strategy describes how we work towards tackling poverty and injustice through four thematic issues (listed earlier) and three approaches which cut across our themes: Social Tech; Sport for Change; and Social Investment. Further detail can be found on page 20.

Our philanthropic investment process is robust. We apply a trust-based approach with our funded partners and we ensure controls are in place to assess and mitigate risk. This covers applications, short listing, assessment, decision-making, start up, monitoring, management and evaluation.

This year, of the 465 investments made, 260 were part of our response to COVID-19 with most of these investments also matching against our key thematic issues.

Of the 205 non-COVID-19 awards, 95% were aligned with one of the themes or one of the approaches in our Social Change Strategy, with the remaining 5% made either as part of pre-existing commitments agreed before our current Social Change Strategy was in place, or in alignment with our wider vision of a Just World Free From Poverty.

More information on the breakdown by theme is shown below.

Themes

Theme	Number of philanthropic investments	Value of investments
A Safe Place to Be	65	£13.5m
Children Survive and Thrive	66	£13.6m
Global Mental Health Matters	121	£19.0m
Gender Justice	122	£20.6m
Other (analysis below)	91	£17.5m
Total	465	£84.2m

Analysis of other investments not under a theme

Description	Number of philanthropic Investments	Value of Investments
COVID-19 Response	57	£12.1m
Sport for Change investments	12	£1.4m
Social Tech investments	5	£0.5m
Financial poverty: support for the Living Wage Foundation	1	£0.2m
Investments aligned with our influencing agenda	6	£1.1m
Legacy investments	10	£2.2m
Total	91	£17.5m

UK and international funding

Comic Relief aims to invest evenly between the UK and internationally. Due to the way we match some funding commitments by other bodies and the timing of funding decisions, it is not always possible to have an even split. This year we invested more than 50% in the UK due to the enormous impact of COVID-19. For 2019/20 the split between UK and international is shown below.

UK/ International	Number of philanthropic investments	Value of investments
UK	358	£43.2m
International	107	£41.0m
Total	465	£84.2m

Tracking impact and progress against our Social Change Strategy

We are committed to evaluating the impact of our philanthropic investments and influencing work 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. This helps us to ensure that a significant number of our investments are against our four themes and in our priority countries, in accordance with the ways we aim to fund.

Based on learnings from external research and evaluations of our own funding programmes, we have identified the following key funding characteristics (our 'Hows') as important to achieve:

- Offer flexible funding through both core and project funding;
- Increase direct investments to the Global South;
- Invest for the long term and make fewer, larger investments;
- Ensure people with first-hand experience are informing the work we fund;
- Be more relational with the organisations we invest in; and
- Target middle income organisations - those organisations that have an annual turnover between £250k and £10m in the UK and between £75k and £10m internationally.

In order to measure and assess our performance and progress against the characteristics listed above we use a combination of quantitative indicators and qualitative measures.

We do this by facilitating collective learning events with funded partners, collating and reviewing case studies and commissioning external evaluations to help us better understand our contribution to social change. Set out below are some highlights of our progress this year:

- **Offering flexible and core funding:** We have delivered against our commitment to offer core and flexible funding. In response to COVID-19, all our existing funded partners could use their investment flexibly based on their specific needs. Our COVID 'Recovery programme' awarded up to £40k for core costs (e.g. rental, utilities etc.) to existing UK funded partners and our Change Makers programme, launched in June 2020, allows organisations to use the investment flexibly to support the medium to long-term recovery from the effects of the COVID-19 crisis.
- **Direct funding to the Global South:** Of our international investments, 63 (59%) were in organisations located in the Global South, accounting for 50% of the value of our international funding. This is an increase from 57% by number and 33% by value from 2018/2019.
- **Making larger investments:** Overall, our median investment size has decreased from 2018/2019. This is due to our funding response to COVID-19, where we made several small (£40k and less) investments to existing partners. However, when we exclude COVID-19 related investments our median investment size has increased by over £57k in the last year to £172k.
- **Lived experience informing the work we fund:** Examples of how we brought lived experience into decision-making include:
 - **Bridging the Gaps:**
We formed the Mental Health Collective; bringing together ten people from the UK, Nigeria and Uganda, each with lived experience of mental health issues and services. This year the Collective worked with staff to co-design the Bridging the Gaps funding programme.
 - **Future Lookin' Good, in partnership with KFC**
We actively engaged a group of young people to input into the shortlisting element of our 'Future Lookin' Good' funding programme.
 - **London Together, in partnership with the Mayor of London**
Our 'experts by experience' panel for the London Together funding programme is made up of social change actors with a depth of experience of delivering programmes to improve social cohesion and reduce social isolation across London. Working closely with staff at Comic Relief and the fund's partner, the Mayor of London's office, the panel are supporting us to make more informed funding decisions.
- **Collective learning:** Our approach to collective learning has developed significantly over the past year with new mechanisms and approaches being set up across many of our unrestricted and co-funded programmes. These range from quarterly webinars and an online community of practice across all our Safe Place to Be funded partners, to localised learning networks for our Children Survive and Thrive programmes in the UK and East Africa.
- **Investing in middle-income organisations:** The proportion of investments awarded to middle-income organisations has increased to 84% (389 out of 465 investments). Excluding COVID-19 related investments this percentage increased to 87% (178 out of 205 investments).

Investments within the four themes

We're incredibly proud of all our philanthropic investments and have worked hard to be as open and accessible as possible. This has meant encouraging new and established partners to apply through the funding calls. We are also continuing to work with 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 2019/20.

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 and Zambia, as well as in the United Kingdom.

A total of £7.7m has been awarded to 18 organisations working across these 6 countries.

Improving mental health and wellbeing in Kenya

In partnership with the FCDO, the 'Improving Mental Health and Wellbeing in Kenya' programme aims to improve access to quality mental health services in Kenya, and tackle the stigma and discrimination associated with mental health conditions and psychosocial disabilities.

A total of £2.5m has been awarded to 7 organisations under this programme with a final round of investments due to be made by early 2021.

Gender justice

Maanda Initiative

Under Phase One of the Maanda Initiative, which launched in 2013, Comic Relief and the FCDO partnered to deliver a £32m UK Aid Match programme. The programme supports work which contributes to the improvement of women and girls' rights in Sub-Saharan Africa.

Phase Two of the Maanda Initiative launched this year, with additional investments made under 2 streams:

- Stream A: £1.8m was invested in 4 existing partners addressing and preventing violence against women and girls, as well as championing women's and girls' leadership.
- Stream B: £1.4m was investment in 3 organisations addressing and preventing sexual violence in Sierra Leone.

A final round of investments were made at the end of 2020.

Tackling violence against women and girls

This programme (in partnership with the Department for Media, Culture and Sport (DCMS) and the devolved administrations in Scotland, Wales and Northern Ireland) has invested in UK women's organisations which provide frontline services to women and girls facing multiple disadvantage (experiences of gender-based violence and abuse, mental ill-health and substance misuse).

A total of £1.5m has been awarded to 15 organisations across the UK.

A safe place to be

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. We invest in organisations supporting refugees on the move along the key migration routes from the Middle East and North Africa to Europe, including the UK, with an emphasis on strengthening engagement with and participation by refugees and people seeking asylum themselves.

A total of £7.1m has been awarded to 19 organisations.

Children survive and thrive

Rise and Shine

This programme funds 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 supports organisations in the UK, Kenya and Malawi, focusing on an integrated early childhood approach which places importance on all elements of children's development.

A total of £3.1m has been awarded to 21 organisations working across the UK, and a further £4.4m to 13 organisations working across Kenya and Malawi.

Intermediary funding partners (delivering across the four themes)

This year we have extended our work with intermediary partners to continue to reach grassroots organisations in the most effective and sustainable way, most notably as part of our response to the COVID-19 crisis. In the UK and internationally, we have invested in intermediary organisations with the expertise and networks to distribute funds to community organisations at the heart of the COVID-19 response across all four themes of our Social Change Strategy.

INVESTMENTS USING THE THREE APPROACHES

1. Social Tech

Tech for Good

This year we added a new early stage strand called 'Explore', to our Tech for Good funding initiative, in partnership with the Paul Hamlyn Foundation. The £230k programme will be delivered by CAST as an intermediary and supports 44 non-profits in the UK to engage in a 12-week learning journey to scope out how digital technology could transform the ways they work and to build the skills to develop strong, well-designed, user-centred services. This new strand of Tech for Good is especially relevant in light of COVID-19 as organisations seek to respond to a new online context.

To find out more visit the Social Tech page on our website or <https://techforgoodhub.co.uk/>.

Techies in Residence

We also contributed towards another round of the previously successful Techies in Residence programme, awarding £200k to the Community Foundation Northern Ireland. The programme brings together social challengers from charities and social enterprises with digital technology professionals to produce innovative digital solutions, products and services that have potential for scalable social impact.

Tech vs Abuse

There are investments where a theme (gender justice), intersects with an approach (Social Tech). This year we awarded 11 new investments totalling over £580k under the Tech vs Abuse fund, in partnership with Esmée Fairbairn Foundation and The Clothworkers Foundation. Over 12 months, the organisations will test and build creative digital solutions, co-designed with users, to improve the safety of people affected by abuse, and to improve service delivery.

2. Sport for Change

London Together

This year we awarded 9 investments totalling £895k under the second round of the London Together fund, in partnership with the Mayor of London, as well as opening the third and final round of funding in January 2020. London Together invests in Sport for Change projects that aim to improve social integration in London.

Ahead of the Game: Sport and mental health

This is another example where a theme (mental health) intersects with an approach (Sport for Change). This programme funds work in the UK, Uganda and Rwanda. It supports work that combines sports-based approaches with quality mental health support to reduce distress and/or improve mental wellbeing.

A total of £3.2m has been awarded to 9 organisations this year, and Ahead of the Game 2.0 was launched in April 2020 with the aim of making further investments in Uganda, Ghana and Rwanda.

3. 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 rather than from 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.

Red Shed invests in 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. In 2019/20 Red Shed made an additional 9 social investments for a total commitment of £1.35m. This brings the total social investments made by Red Shed to date to £2.1m into 11 organisations through a number of different repayable finance instruments including loans (both with interest and interest-free), equity investment and investment into social impact funds. To date there have been no impairments in relation to the Red Shed social investment portfolio.

Our influencing work

In addition to the philanthropic investments we make, we aim to contribute to social change through an influencing agenda with the stories we tell, our work in schools and our funding. This aligns with our charitable activities as set out in the in the annual accounts. Below are examples of work we are doing to drive forward our influencing agenda:

Africa No Filter

Africa No Filter (ANF) is a donor collaborative that supports the development of progressive stories to shift and disrupt dominant, negative narratives about Africa. ANF is bringing together a broad group of funders with a shared vision of a world where the prevailing narrative within and about Africa is reflective of a progressive and dynamic continent. Comic Relief has committed £160k over the next 2 years to the collaborative.

Diversity, equity and inclusion in the COVID-19 response

In the wake of the COVID-19 crisis the DCMS set up an operational working group to help coordinate efforts with civil society and funders. Comic Relief has been an active member this group and has co-chaired the equity and inclusion sub-group, which has developed and published a set of recommendations to promote equity and inclusion across funding programmes associated with COVID-19 response efforts. To date, these have been adopted by us, the Chartered Institute of Fundraising, BBC Children In Need, Bedfordshire and Luton Community Foundation, UK Community Foundations, National Lottery Community Fund, and the National Emergencies Trust. NCVO and the Association of Charitable Foundations have endorsed these recommendations and will promote them to their networks. This is part of our ongoing commitment to be as inclusive as we can be as an organisation and as a funder.

Domestic violence

Since 2019, Comic Relief has been supporting a group of organisations it funds in their efforts on systemic change regarding violence against women. This included amplifying the voices and perspectives of 16 women through our online and social media channels, during the 16 days of activism against violence against women in 2019. In addition, Comic Relief has supported the Domestic Violence Commissioner to convene a workshop bringing together civil society organisations, central and local government, and trusts and foundations, with a particular focus on how to fund and commission more effectively the work on violence against women in the UK.

Sema Stori

Sema Stori (Stories that Speak) is a project funded by Comic Relief which supports emerging film makers in East Africa to create factual films in their own way about the issues we support. The project is implemented by Docubox and has supported 10 film makers with small grants, creative and edit workshops and advice from expert mentors from the industry.

ENGAGEMENT AND INCOME

This has been an incredible year for fundraising and engagement. Rather than be daunted by the challenges posed by COVID-19, our teams, supporters and partners responded with huge generosity and imagination.

During 2020 Comic Relief delivered two telethon events in one year for the first time in our history. We also significantly expanded our year-round fundraising and engagement activity, with an obvious focus on digital activities.

It is only thanks to the incredible talent, energy and generosity of those who support Comic Relief that we have been able to achieve the positive impact outlined in the section above, awarding more funds than the year before and helping more individuals, families and communities survive, adapt and support each other during this global crisis. Below is the story of our year from an engagement and fundraising perspective.

Sport Relief 2020

Sport Relief 2020 marked the tenth time the unique biannual fundraising event has taken place, inspiring and entertaining people no matter what their sport or sporting ability to help create a better future for people living extremely tough lives, in the UK and around the world.

As our planning for this campaign progressed, the world around us changed beyond recognition. With weeks to go before the night of the BBC One special, we had to change the international location of our BBC celebrity challenge from one extreme of the earth to another. Our brave celebrities went overnight from skating on a frozen lake in outer Mongolia to trekking across the soaring heat of the Namib desert to avoid growing COVID-19 concerns.

Despite the rising anxiety, it was impossible to dampen the spirits of the thousands of supporters who took part in Sport Relief challenges leading up to Sport Relief on 13 March.

Sport Relief itself was broadcast live from the home of BBC Sport – MediaCityUK - just before the first national restrictions were brought in the UK. It featured hosts including Tom Allen, Rylan Clark-Neal, Maya Jama, Oti Mabuse, Alex Scott and Emma Willis, as well as long-time supporters and presenters Gary Lineker and Paddy McGuinness.

On the night, we enjoyed a fantastic evening of top entertainment which raised an amazing £41m, even more than the previous Sport Relief campaign.

Sport Relief's night of live entertainment gave viewers a window into how the money raised would support some of the most vulnerable people in the UK and around the world, including those already impacted by the start of the Coronavirus pandemic: from people who rely on homeless centres, food banks or domestic violence shelters, to isolated older people and refugees. The evening shone a light on some of the amazing organisations Comic Relief funds

that help tackle these issues, during the programme of global exclusives, one-off specials, sketches and live music.

Recognising the growing crisis, we earmarked part of these donations to help organisations mobilising and adapting their services because of COVID-19, enabling them respond immediately to the increased need. This was one of the first major fundraising responses to COVID-19 and we are delighted to give some of the highlights below.

Key highlights

The Heat Is On

A team of brave celebrities travelled to Namibia, to take on an intense, four-day 100-mile expedition across the Namib desert – one of the most hostile environments on earth – for The Heat is On: Sport Relief. Nick Grimshaw, Louise Minchin, Frankie Bridge, Rob Rinder, Krishnan Guru-Murthy, Samantha Womack, and Karim Zeroual pushed themselves to the edge to raise over £1m for Comic Relief. An achievement to be celebrated all the more for having had to transition from the original challenge in Mongolia due to COVID-19, with safety being an absolute priority.

Dare 2 Tri

Jo Whiley, Rev. Kate Bottley and Richie Anderson were given a heroes' welcome as they completed their third triathlon in as many days as part of their gruelling Dare 2 Tri challenge for Sport Relief. Joining Gary Lineker and Alex Scott on stage, they'd already raised an incredible £511k, having battled freezing cold open waters, punishing cycle routes, and energy-sapping runs in Cardiff, Glasgow and Manchester.

TV firsts

The public were treated to two world music exclusives as Rita Ora performed her brand-new single How To Be Lonely, and in his first ever TV performance, global influencer KSI debuted his new single Wake Up Call.

Another world first saw Sport Relief collaborate with Netflix's hit show Stranger Things on an exclusive sketch, as Orlando Bloom, Tan France, Jennifer Saunders, Mark Strong and Emma Thompson went inside The Upside Down with the help of regular cast members Millie Bobby Brown, Noah Schnapp, Sadie Sink and Finn Wolfhard.

BBC Sports Personality of The Year

Back in December 2019, Welsh Rugby legend, Gareth Thomas, took on the daunting challenge of cycling 500 miles from Cardiff to Aberdeen in just seven days to deliver the BBC Sports Personality of the Year trophy in time for the big night. Gareth Thomas' Tour De Trophy was all to raise money for Sport Relief and fight against the stigma surrounding some of the biggest issues in the world today. Along the way he met some truly inspirational people who were benefiting from the funds being raised thanks to the generosity of the Great British public, shining a light on projects up and down the country and their life changing work.

Other highlights in brief

- There was a special visit to AC-12 where Line of Duty's Arnott, Fleming and Hastings grilled corrupt cop Jason Isaacs and his hapless lawyer Lee Mack. Meanwhile, David Walliams was revealed to be the mysterious blonde assassin in a special Killing Eve spoof – Killing Steves.
- BBC Radio 3's Beat Beethoven challenge saw hundreds of people, including BBC newsreader Sophie Raworth, running 5km to 'beat' the music.
- Greg James' Sport Relief Heroes documentary looked back at some of the most incredible challenges he and fellow celebrities – including Zoe Ball, John Bishop, Davina McCall, Eddie Izzard and David Walliams – have completed to raise money for Sport Relief.
- Viewers were treated to a series of Sport Relief themed TV shows, including BBC's Catchpoint, Blue Peter, Bargain Hunt (which pitted Olympians against sports TV presenters) and a Sport Relief special of Football Stars in Bad Cars on BBC Three.
- Max Whitlock, Ellie Simmonds, Harry Kane, and Dame Jessica Ennis-Hill helped inspire the UK to get their kit on by supporting this year's official Sport Relief merchandise range sold exclusively in Sainsbury's and selected Argos stores.
- British Airways set a world record for the heaviest aircraft pulled over 100m by a team of colleagues and celebrity supporters including Nicola Adams, Alfie Hewett, Gary Lineker, Gabby Logan, Iwan Thomas and Joe Wicks.
- Across the nations and regions many exciting activities took place with the public getting their kit on for Sport Relief – from trampoline enthusiasts in Southampton to swimmers taking a dip in 8-degree cold waters in Bristol. Sir AP McCoy visited Youth Action NI to see how cash raised by Sport Relief is changing lives in Northern Ireland (with a little help from a paddle board), and Laura Muir visited Venture Trust in Edinburgh to learn about the array of outdoor pursuits partaken by young people supported by the charity - from wilderness treks to bike rides.

A special thank you to our partners and fundraisers

Of course, Sport Relief would not have been possible without the amazing support of our fundraisers, trust, foundations and corporate partners, including: Sainsbury's, British Airways, BT, GSK, Bill and Melinda Gates Foundation, DCMS, FCDO, Scottish Government, Jersey Overseas Aid and the Paul Hamlyn Foundation.

Across the UK, schools and universities fundraised in all kinds of fun, sporty, ways. And of course, a huge heartfelt thank you to the millions of people who donated and supported on the night of Sport Relief and throughout the campaign, truly making a difference to so many lives.

THE BIG NIGHT IN

BBC
Children
in Need

COMIC
RELIEF

As Britain locked down from 23 March 2020, life took an unprecedented turn for everyone in the UK, but particularly for elderly and vulnerable people and families living in poverty.

Despite the success of Sport Relief, it was clear that to help the thousands in need across the UK during the Coronavirus pandemic there needed to be a high-profile emergency appeal to raise more funds. With many families torn apart and unable to see loved ones, the nation needed something to cheer us up, raise a smile and also highlight the amazing spirit of community, with people helping out both neighbours and strangers in need.

Every day in April it became more clear just what a devastating impact the pandemic was having on the most vulnerable. Charities came under immense strain to do everything possible to make sure no one was left hungry, homeless, feeling alone or isolated.

It was evident that as an organisation we needed to act quickly to do more and help all we could. For the first time ever, we joined forces with BBC Children in Need to present The Big Night In, a truly unique evening of entertainment. Thanks to the incredible generosity of the British public and partners, The Big Night In raised a phenomenal total of £74m, which includes Government match funding for every pound donated, to help support people across the UK who really needed it through these extraordinary times. The first £20m of the Government match funding went directly to the National Emergencies Trust; £4m funding was allocated to NHS Charities Together; with the remaining £50m split equally between BBC Children in Need and Comic Relief. A total of £28.4m accrued to Comic Relief.

The three-hour extravaganza hosted by Davina McCall, Lenny Henry, Matt Baker, Paddy McGuinness and Zoe Ball featured an incredible array of famous faces who offered some light relief and entertainment whilst celebrating the everyday heroes from every corner of the UK who were going the extra mile to support their communities during these unprecedented times.



Key highlights

A royal comedy

HRH The Duke of Cambridge featured in an exclusive Blackadder comedy sketch starring Stephen Fry counselling the Duke on home-schooling via a video call. Written by Comic Relief's co-founder, Richard Curtis, the piece concluded with The Duke and Duchess of Cambridge and their Royal Highnesses Prince George, Princess Charlotte and Prince Louis gathering outside their family home to join the nation in the weekly 'Clap for our Carers' – dedicated to all workers of the NHS and other key workers.

Best of British comedy

The Big Night In featured a huge number of comedy sketches from Little Britain, Miranda, The Vicar of Dibley, Catherine Tate and David Tennant, Steve Coogan and Rob Brydon, Jack Whitehall in Bad Education with Mathew Horne and world heavyweight champion Anthony Joshua, People Just Do Nothing, EastEnders, Peter Kay and the British public remake of Amarillo, Romesh Ranganathan, Joe Wicks and Doctor Who.

Chart topping celebrity single

There was the first play of the Radio 1 chart topping Stay Home Live Lounge single video featuring artists including Dave Grohl and 5 Seconds of Summer, AJ Tracey, Anne-Marie, Chris Martin of Coldplay, Dua Lipa, Ellie Goulding, Mabel and Sean Paul, with their cover of Foo Fighters' Times Like These.

Real lives of everyday heroes

The real shining stars of the night included the children and adults of all ages who shared their stories and brought to life how money raised on the evening would go on to make a difference to people in urgent need of support across the UK.

Our appeal films looked at the devastating impact that COVID-19 was having on families up and down the country and the vital work partners are doing to help. The films tackled hunger, domestic violence and isolation and showed how everyday heroes were stepping up to get medicines and food to those who couldn't leave the house.

With elderly people amongst the most vulnerable and most impacted by the current crisis, our film telling the story of 94 year-old Brin, who was self-isolating, was a prime example. The Comic Relief funded project 'United Welsh Group' brings the outside world to Brin and other elderly people in the community, including an intergenerational choir with local school children, helping combat loneliness and isolation. Since the pandemic, the choir has had to stop, but the children involved in the project have been writing letters and sending messages to their older friends and helping drop off care packages. The film highlights how this support through such difficult times is an absolute lifeline to many isolated people.

Love Wins: Comic Relief continues to respond to COVID-19

Delivering two major televised appeals in two months showed that it was possible and vital for us to accelerate both our funding and our fundraising in response to the growing need. As a result, during the summer, we made significant progress in our aspirations to expand our fundraising into new channels and to increase our fundraising activity outside of our traditional campaign period.

Key highlights

Love Wins merchandise

Comic Relief and much-loved British author, artist and illustrator, Charlie Mackesy, came together in April, releasing an exclusive 'Love Wins' t-shirt to raise an emergency fund to help vulnerable people whose lives had been impacted most by the Coronavirus pandemic. The limited-edition t-shirt featured Charlie's beloved characters, the Boy and the Mole, alongside the poignant slogan 'Love Wins'. The t-shirt was sold exclusively through Comic Relief's online shop with all profits going to charities on the front line of the Coronavirus fight.

A host of stars and long-term celebrity supporters backed the campaign, including Carey Mulligan and Marcus Mumford, Claudia Winkleman, Dame Joan Collins, Himesh Patel, Louise Minchin, Miranda Hart, Nadiya Hussain, Reggie Yates, Rob Rinder and many more. They did this by taking pictures of themselves at home wearing the 'Love Wins' t-shirt.

Face masks designed by Sir Peter Blake

The exclusive sale of face masks, specially designed by legendary artist Sir Peter Blake and retailed via TK Maxx.

Comedy Club goes online

The migration of our live Comedy Club online for a July event and August Edinburgh Special, both of which saw diverse line ups of comedic talent and strong audiences. These have set the scene for us to deliver more comedy events online.

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 from the Charity Commission and Fundraising Regulator.

Fundraising standards

Comic Relief is registered with the Fundraising Regulator. As a member, we adhere to the Fundraising Promise, which commits us to the highest standards of fundraising, ensuring that our fundraising is legal, open, honest and respectful. We are also committed to following the Code of Fundraising Practice, which outlines the standards expected of all charitable fundraising organisations across the UK.

We did not use professional fundraisers during the year. We are consistently assessing and evaluating our processes and fundraising agreements to formalise and strengthen how we monitor our fundraising activities. We are proud of the rigour and support we provide to our fundraisers to ensure they have the necessary tools to execute their activity. Anyone that signs one of these agreements is monitored over the course of a campaign or activity and they are supported with their fundraising via a named account manager at Comic Relief. They are also provided with our fundraising 'Dos and Don'ts' which include information on the Fundraising Regulator. We follow a rigorous process where we work with commercial partners and we put in place and monitor commercial participator agreements.

Comic Relief is also a member of the Direct Marketing Association (DMA), the body responsible for driving high standards in direct marketing through self-regulation.

As a member of the DMA, we adhere to the Direct Marketing Code of Practice. This commitment to the highest standards of marketing and best practice, which includes recognising and taking care when dealing with children and vulnerable people, means that our advertising and marketing is responsible, reliable and respectful.

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 people 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.

Helping our supporters

Throughout 2019/20, 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 11,180 enquiries from the public. These covered a wide range of topics, including planning and undertaking fundraising events in schools, workplaces and the community, questions about donations and Gift Aid, enquiries about our shop and merchandise range, as well as queries about the organisations and projects we fund.

Despite our best efforts, we do know we don't always get everything right and throughout the Sport Relief 2020 and The Big Night In campaigns we addressed 223 complaints. We take every complaint we receive very seriously, and our aim is always for our supporters to have a high-quality experience with us. We acknowledge receipt of a complaint within two working days, then investigate and aim to 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 supporters 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.

FINANCE AND RESOURCES

Steering Comic Relief through a year like no other

This has been a challenging year for all UK charities and Comic Relief is no exception. Through bold and decisive leadership, we end the year a leaner and more efficient organisation that has maintained its fundraised income and delivered vital funding to other charities.

To have maintained fundraised income and increase impact has required difficult decisions, made in a context of incredible uncertainty. This has been all the more challenging as our incoming Chief Executive Officer (CEO), Alex Reid, was unable to remain in post as a direct result of the pandemic, having to return to Seattle and her family on the eve of Sport Relief 2020. Our Interim CEO, Ruth Davison, who had led the organisation since November 2019, took the role back up again and worked with the Trustees and Executive Leadership Team to guide Comic Relief safely through the pandemic. Key decisions and changes made during this year, that have delivered against our objectives of becoming a future-fit organisation and enabling focussed growth, are listed below as an introduction to this section.

Remote working

In early January 2020, Comic Relief began to monitor the COVID-19 pandemic that was, at that time, confined to Wuhan. Plans to hold our celebrity-led challenge in Mongolia meant we closely monitored the spread of the virus in Asia, relocating the challenge as a result. This work in early 2020 meant we were well prepared by the time the

virus reached Europe and had in place full contingency plans for Sport Relief 2020 and for remote working. When the UK entered its first period of national lockdown just days after Sport Relief, we were, thanks to the scalable and robust technology infrastructure we had put in place over a few years and broad adoption of agile and flexible working practices, able to transition seamlessly to full remote working, safeguarding the well-being of our staff and ensuring no break in our delivery of funding to the frontline.

Downsizing the office

Accelerating plans in place prior to the pandemic we were able to downsize our office space as well as make it more contemporary, saving ongoing overhead costs and creating a more pleasant working environment for staff. The office was subsequently made COVID-secure so that it can fully reopen as soon as guidelines allow.

Safeguarding our reserves and streamlining our costs

The impact of the pandemic on the global economy has been profound and is not yet fully realised. In March, when the turmoil in the financial markets was evident, Comic Relief took the bold decision to divest 75% of our investment portfolio, moving it to cash. This decisive move protected our reserves, ensuring we could honour all funding commitments made to partner charities at a time we knew they would need these funds more than ever.

This decision meant that the returns we would normally receive from our investments over the year would not be realised. This in turn meant we had to reconsider our operating model. For many years Comic Relief has funded the bulk of our operational costs from returns on our investments. Without such returns we knew we would need to fund our costs from the income that is donated to us. We recognised we had scope for greater efficiency and effectiveness, but the divestment accelerated the most challenging part of the year, when we had to reduce our headcount and non-staffing costs in order to streamline our cost-base.

Financial review

Each year the annual report and accounts present the position of the group, set out in the consolidated 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, which are presented on pages 71 to 98.

Our total income for the year was £78m compared to £86m in the previous year. The main difference is a reduction in our trading income of £6.5m which is to be expected in a Sport Relief year compared to a Red Nose Day year. Our fundraising income is £70.9m which is in line with the prior year.

Our total expenditure was £105.6m compared to £98.9m in the previous year giving an in-year operating deficit of £27.5m (2019: operating deficit £12.9m). This represents an acceleration of the allocation of funds raised in prior years to ensure that we deliver the maximum impact in these challenging times. 85% of our total spend was on charitable activity with £87.9m (2019: £82m) spent on philanthropic investments and the cost of making those investments and £1.6m (2019: £1.8m) on raising awareness and social

Operating as efficiently as possible is more imperative in times of crisis and in July 2020, Comic Relief took the painful decision to reduce the size of our workforce. This meant that dedicated and valued colleagues left us. We worked hard to minimise the scale of compulsory redundancies and, through a combination of redeployment, job sharing and voluntary redundancy, we have managed to reduce our budgeted core staff costs in future financial years by £3.2m p.a.

change. 15% of our total spend went on fundraising in both years. Total fundraising costs are £16.1m (2019: £15.1m) after absorbing restructuring costs. Net assets of the group at 31 July 2020 were £95.4m compared to £132.2m at 31 July 2019. This includes £1m held on behalf of BBC Children in Need in relation to The Big Night In appeal.

There remains a substantial difference between a Red Nose Day year and a Sport Relief year in terms of the annual income and expenditure for the group and for this financial year we also have the impact of The Big Night In campaign. This means that reference to the comparative figures for the previous year's operation will not always prove useful and can be misleading.

Income and expenditure

Sport Relief 2020 raised £41m thanks to generous donations from the public and their fundraising activities, institutions and corporate partners. The Big Night In campaign, held with BBC Children in Need, raised over £74m which included match funding by the Government and of which £28.4m accrued to Comic Relief, for responses to COVID-19.

In addition to our main fundraising campaigns we also received income from several different sources, as outlined in this report.

During the year we divested 75% of our investment portfolio resulting in net losses on investments of £9.3m (2019: £13.2m gain) due to the impact of COVID-19 on markets. Whilst in-year losses were incurred, the historic gains on the disposals were positive compared to initial cost. Our reduced portfolio limits our exposure to market movements going forward.

Staff costs is our largest operating expense, totalling £13.8m in 2020 (2019: £13.8m) excluding costs of redundancy in each period. We undertook an organisational restructure over the summer of 2020 aimed at reducing our staffing cost by £3.2m in the 2021/22 financial year.

How the money is spent

At Comic Relief we are hugely aware of the generosity of the public in supporting our work – particularly in these times when so many are facing uncertainty and hardship. We are incredibly proud that, through the match-funding we secure from our many private, public and voluntary sector partners, we are able to leverage every pound that is donated by the public.

In the last financial year, we have nearly doubled every £1 donated by the public to £1.79 through gift aid, partnerships and match-funding.

In previous years, we covered 100% of our non-charitable expenditure through a combination of returns on investments, gift aid and earned income. This year we made the decision to convert the bulk of our investment portfolio to cash to ensure we could protect its value and guarantee the funding commitments we had made to frontline charities. As a result, over the last year for every £1 Comic Relief spent:

- 76 pence went to help thousands of vital projects supporting vulnerable people in the UK and internationally.
- 7.5 pence was spent ensuring that we allocate our funding as effectively as possible, ensuring it reaches amazing projects, and monitoring how it is spent.

- 1.5 pence on raising awareness of the work we support to tackle poverty and injustice.
- 15 pence was spent on raising even more money.

The Comic Relief group held total reserves amounting to £95.4m as at 31 July 2020 (2019: £132.2m), broken down into restricted, designated and other unrestricted funds as follows:

Restricted funds

Restricted funds (2020: £9.2m; 2019: £0.1m) can only be used for purposes as specified by the donor. Individual funds can be 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. This can result in negative balances on some funds which will be covered by future income received against those funds. Further details are given in note 20. Broadly the increase is due to net timing differences of when funds are received and committed.

Unrestricted designated funds

At year-end an aggregate of £50m (2019: £75.1m) of unrestricted funds were designated for specific purposes by Trustees. The main decrease was in our Social Change fund where we accelerated the disbursement of our philanthropic investments during the year. Total designated funds comprised:

- The Social Change Fund (previously the Grant Fund) £23.2m (2019: £57.6m). This fund represents amounts designated by Trustees for philanthropic investments which have not yet been allocated to partners or designated for match funding.
- Match Funding Commitments (2020: £16.1m; 2019: £8m). This represents funds that the Trustees have designated to co-fund programmes together with some of our key funding partners.

- Red Shed (2020: £7.7m; 2019: £7.8m) represents net cumulative gains on investments from previous years which are being used to fund new and innovative ways to support our mission and vision.
- Bill and Melinda Gates Foundation (2020: £2.2m; 2019: £0.8m). This general operating grant has been designated to allow Comic Relief to explore new activities and opportunities.
- Fixed assets (2020: £0.7m; 2019: £0.5m). This fund represents the net book value of fixed assets.

General fund

The remaining balance of unrestricted funds, the General Fund (2020: £36.2m; 2019: £57.1m), 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. The Fund has experienced a decrease this financial year in part due to the losses on investment holdings and the operating deficit.

Reserves policy

The General Fund is a reserve against which the net operating income or expenditure 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. 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 against market fluctuations.

At 31 July 2020 the General Fund balance was £36.2m (2019: £57.1m) against a target of £18.8m (2019: £33m). Given the current significant macro-economic uncertainties and income volatilities we are exposed to and the uncertainties posed by the fundraising environment we are comfortable and indeed see it as prudent that excess General Funds to our target are held. The Trustees will continue to keep the level of reserves and reserves policy under regular review.

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. Most 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 nine months' worth of funding commitments and six months' worth of operating costs based on a 12 month average forecast, with a monthly minimum balance equal to three months' needs, reflecting the fact that most of the cash inflows occur in March – July each year. Six months of budgeted operating costs will always be available immediately 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 and policy

Whilst we divested in-year in order to limit our exposure to market movements going forward and to protect capital, the overall objective of the investment policy is to maintain and grow the value of the portfolio. In addition, we aim to maximise the return from the portfolio but only within an acceptable level of risk and in accordance with our principles with respect to ethical investment. 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, fossil fuels or the manufacture of alcohol products.

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 2020 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, A for listed equities and A for property. Trustees delegated oversight and management to the Investment Advisory Group (which reports to the Finance and Fundraising Committee) for the investment portfolio and the Finance and Fundraising Committee for the cash portfolio (Cash Management Advisory Group to December 2019).

Investment performance

The opening value of the investment portfolio was £137.1m. Approximately 75% of the liquid portfolio was disposed of during the year, with net investment losses during the year of £9.3m (2019: gain of £13.2m). Whilst in-year losses were incurred, the historic gains on the disposals were positive compared to initial cost. The portfolio closing value was £49.6m. Income from investments (including dividends and interest) was £2.0m for the year to 31 July 2020 (2019: £3.3m). 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:

	Actual Total Return (%)	Target Total Return (%)	Relative Performance (%)
1 Year to 31 July 2020	(0.4)	4.5	(4.9)
5 Years to 31 July 2020	11.3	4.5	6.8

Going concern

The Trustees must satisfy themselves that Comic Relief has the ability to continue as a going concern for a minimum of 12 months from the approval of the financial statements. We cannot do this without considering the impact of the COVID-19 pandemic on our ability to fundraise, our ability to continue our ongoing operations and the impact on the global investment markets. Whilst there is no doubt that some of our traditional forms of fundraising have been put at risk, this year we have demonstrated that despite these very difficult times, our long standing partners and the public continue to support us and show their generosity. On this basis, we are confident that whilst we do anticipate a level of income reduction in the coming year we will have sufficient income to continue to deliver our charitable purpose and fund our operating expenses. The organisation has transferred seamlessly to home working so we are confident that we can continue on this basis as long as is necessary and we are actively working with our grantees to ensure that we give them every support to continue

their vital work. Our decision earlier in the year to divest 75% of our investment portfolio will protect us from further stock market volatility and means that we have more than sufficient cash resources to fulfil our existing grant commitments and fund our operations at least 18 months into the future.

In the review of investment and cash reserves, the Trustees reviewed a period of over 18 months from the approval of the financial statements. This included a review of our investment and cash portfolios, cash flow forecasts, budgets, and business plans. These have been stress-tested based on the possible impact of the COVID-19 pandemic.

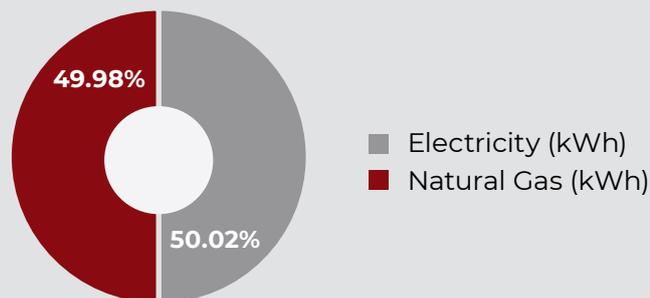
As a result of this review, the Trustees have a reasonable expectation that there are no material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Energy and carbon use

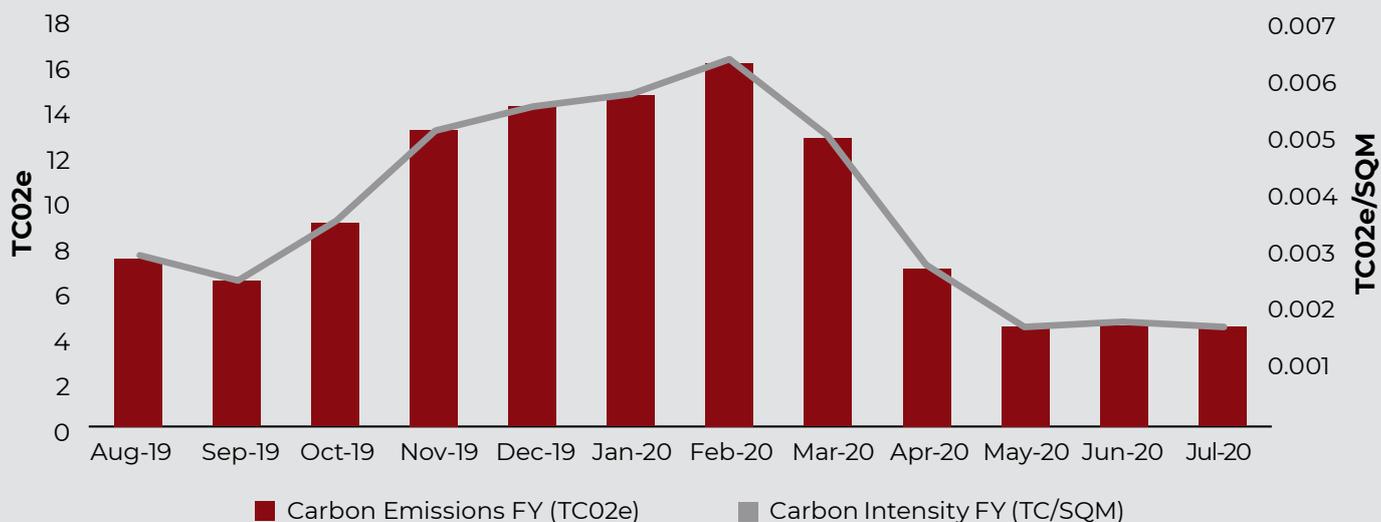
Comic Relief is reporting energy and carbon emissions in compliance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Energy Source	Consumption	Energy Intensity	Carbon Emissions	Carbon Intensity
Units	Consumption kWh	Consumption/SQM	TC02e	TC02e/SQM
Electricity (kWh)	224,308	87.7	56.8	0.022
Natural Gas (kWh)	308,622	120.7	56.75	0.022
Total	532,930	208	113.55	0.044

Carbon emissions by energy source



Carbon emissions



Methodology and estimates

The methodology used to calculate total energy consumption has been extracted from information provided by our building management. Electricity has been calculated using sub-meter readings. Gas is supplied to the whole building and our calculation is estimated based on the % of space that we occupy. Energy and fuel consumption have been converted to carbon (TCO2e) using 2020 DEFRA published conversion factors.

We used this information to subsequently calculate our carbon footprint. Just after the end of this reporting period we reduced our office space, which means a reduction in our office related carbon footprint going forward. All our lights run on passive infrared sensors to ensure minimal electricity wastage. This is the first year we report this information, so we do not have prior year figures. For the next reporting year, we plan to track and report on business travel.

Remuneration at Comic Relief

We are proud to be a Living Wage employer and all our London-based staff are paid at least £10.85 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.

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.

We have actively tried to manage the differential of pay between the highest paid person and others, with improvements in both our ratio of top pay to median pay of 3.3:1 (2019: 4.2:1) and our ratio of top pay to lowest pay of 7:1 (2019: 8.8:1).

Our salaries are benchmarked against similar roles in other charities and relevant organisations. A set percentage increase, informed by the Retail Price Index, Consumer Price Index, the actions of other organisations in the sector, and agreed on by the Remuneration and Nominations Committee, is considered annually for all permanent staff with six months' service. We do not pay bonuses.

Gender pay gap

At Comic Relief, we have a 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 by ensuring that all staff are treated equally within our own organisation.

At the snapshot date of 5 April 2020, our mean gender pay gap had improved to 0.63% from 3.7% in 2019 and our median gender pay gap was 6.9% (2019: 5.0%). At this date we were a 69% female organisation with high female representation throughout the organisation particularly at the executive and junior levels.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women and the mean gender pay gap is the difference between the average hourly earnings of men and women. In 2019 we implemented the outcome of a pay and reward review which, in particular, positively impacted the pay of our most junior female staff. We continue to work to reduce the pay gap overall.

The pay quartiles by gender table below shows that across the lower, lower middle and upper quartiles, there are proportionately more females than males in line with the overall makeup of the organisation. However, in considering the overall male to female balance in the organisation, in the upper middle there are a disproportionate number of men. Our D&I strategy aims to address all the areas of inequality across the organisation, so these matters will be considered as part of our response.

Quartile %	Males	Females
Upper	27	73
Upper middle	42	58
Lower middle	25	75
Lower	30	70

Ethnicity pay gap

We are measuring our ethnicity pay gap for the first time this year, ahead of any requirement or formal guidance on how to do so and are therefore using the same methodology we do for gender at the snapshot date of 5 April 2020. We will change this to align with any external standard approaches in future.

Many staff have chosen not to disclose so the data is not complete.

Our mean ethnicity pay gap is 6.4% and our median ethnicity pay gap is 3.0%. We will work towards reducing the pay gap overall.

The ethnicity pay gap looks at the distribution of white employees compared with those from an ethnic minority group across all job levels. The pay quartiles by ethnicity table below shows the distribution of white and ethnic minority employees by quartile, highlighting that people from ethnic minorities are more likely to occupy lower-paid roles than white employees. There is also a larger proportion of staff in the upper and upper middle quartile that have not declared ethnicity.

As outlined below, we use blind recruitment to help remove bias from the recruitment process and as part of our D&I Strategy have recruited a D&I expert and will be providing targeted development programmes.

Quartiles %	White	Ethnic	Not Declared
Upper	67	17	16
Upper middle	60	28	12
Lower middle	69	26	5
Lower	64	34	2

Recruitment, retention and resourcing

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.

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 team to focus on delivering ground-breaking campaigns, coordinating fundraising efforts, and helping to 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 are strongly committed to attracting a wide range of diverse skills into the workplace.

During 2019/20 we finalised our D&I strategy which includes specific targets and actions for us to complete during the 2020/21 and 2021/22 financial years. As part of the strategy we are recruiting a D&I expert for a 12 month period to help drive and embed the strategy.

We use a recruitment tool which enables blind recruitment. Our staff diversity in percentage terms as at 31 July 2020 is as follows:

Gender		Ethnicity		Sexual Orientation		Disability	
Female	69%	White	64%	Heterosexual	74%	No	88%
Male	31%	Black, Asian, Minority ethnic	27%	Gay/Lesbian/ Bi-sexual/other	10%	Yes	6%
Not declared	0%	Prefer not to say/not declared	9%	Prefer not to say/not declared	16%	Prefer not to say/not declared	6%

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 continued to increase the ways we listen to staff including listening lunches and Trustee voice sessions all with the 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 and regular pulse surveys to get anonymous feedback from across the organisation and hold monthly staff and 'open house' meetings where staff set the agenda and ask questions of management. All employees are kept up to date on news and events through regular messages and updates on our internal network (Workplace) and monthly team 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.

GOVERNANCE

Structure and operations

Comic Relief was founded in 1985, when Richard Curtis, Jane Tewson and friends came up with the idea to use comedy to raise money and change lives in Africa and the UK. The Comic Relief Group is comprised of Charity Projects, Comic Relief Limited and Brand Relief Limited.

- Charity Projects is a company limited by guarantee and a charity registered with the Charity Commission and Office of the Scottish Charity Regulator. Charitable activity is undertaken through this entity and Comic Relief is the operating name of this entity.
- Comic Relief Limited is a private company limited by shares and a wholly owned trading subsidiary.
- Brand Relief Limited is a private company limited by shares and wholly owned dormant subsidiary.

Charity Projects is governed in accordance with its Articles of Association which set out the following charitable objects:

- the relief of poverty;
- the advancement of education by means of the encouragement of the arts for the public the provision of facilities for recreation or other leisure time occupations in the interests of social welfare provided that such facilities are for the public benefit; and
- the promotion of any other charitable purpose for the benefit of the public.

Charity Projects is registered with the Office of the Scottish Charity Regulator (SC039730) and raises funds from our Scottish supporters and makes philanthropic investments to Scottish organisations. During the year under review £1.58m or 3.3% of our fundraised revenue was generated in Scotland and £4.5m (11%) of our new investments were made to Scottish organisations.

Trustees

Ultimate control of Comic Relief is vested in the Trustees, who give their time, experience and expertise for free. For the period from 1 August 2019 and up to the date of signing the accounts, the following people served as Trustees:

Tim Davie CBE

(Chair of Trustees until 1 July 2020 and member of the Remuneration and Nominations Committee; stepped down 15 July 2020)

Eric Salama

(Chair of Trustees from 1 July 2020)

Richard Curtis CBE

(Trustee; stepped down 27 November 2019; Co-founder)

Suzi Aplin

(Trustee and member of the Social Impact Committee; stepped down 25 November 2020)

Dr Sue Black OBE

(Trustee and member of the Social Impact Committee)

Fiona Campbell

(Trustee from 11 September 2020)

Harry Cayton CBE

(Trustee and member of the Social Impact Committee; stepped down 6 November 2019)

Tristia Harrison

(Trustee and director of Comic Relief Limited; stepped down 15 July 2020)

Michael Harris OBE

(Trustee, Treasurer, member of the Finance and Fundraising Committee, Investment Advisory Group and Remuneration and Nominations Committees; stepped down 27 November 2019)

Jenny Hodgson

(Trustee and Chair of the Social Impact Committee)

Colin Howes

(Trustee, stepped down 27 November 2019; member of the Investment Advisory Group and director of Comic Relief Limited)

Matt Hyde OBE

(Trustee and Chair of the Audit and Risk Committee)

Saul Klein OBE

(Trustee)

Charlotte Moar

(Trustee, Treasurer and member of the Investment Advisory Group and Audit and Risk Committee and Chair of the Finance and Fundraising Committee)

Rupert Morley

(Trustee, Chair of the Investment Advisory Group, member of the Finance and Fundraising and Remuneration and Nominations Committees and director of Comic Relief Limited)

Tessy Ojo CBE

(Trustee and member of Audit and Risk Committee)

Jacqueline Onalo

(Trustee, member of the Social Impact Committee and Chair of the Remuneration and Nominations Committee)

Gautam Raju

(Trustee and member of the Finance and Fundraising Committee)

Alex Reid

(Trustee; stepped down 7 November 2019)

Tom Shropshire

(Trustee, Senior Independent Trustee and director of Comic Relief Limited)

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 through an open recruitment process taking into the account the need to maintain an appropriate balance of skills and experience. Trustees are given a comprehensive and tailored programme of induction which includes safeguarding training. Additional development 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 joined the board in 2019 as part of the planned succession arrangements and to ensure a good balance of skills and experience to discharge the Board's function.

Trustees consider the principles set out in the Charity Governance Code when carrying out their duties. The Code is designed as a tool to support continuous improvement and Comic Relief has prepared an evaluation, which it keeps under regular review, of how it applies the Code's principles and recommended practices. The evaluation shows that the Code's recommended good practices are applied. Comic Relief aims to continually improve and therefore focusses on the areas of the evaluation identifying where improvement and further implementation can occur.

Governance changes

In 2019/20 the governance review has been successfully progressed with Trustees approving the following key developments:

- The new committee structure has been embedded in the course of 2019/20 with the new Audit and Risk and Finance and Fundraising Committees (which replaced the Finance and Risk Committee) having their inaugural meetings in January 2020.
- The Remuneration and Nominations Committee instituted a committee review allowing for input from chairs at designated points throughout 2020. New independent members for each of the Investment Advisory Group and Remuneration and Nominations Committee are being recruited.
- An organisational scheme of delegation was reviewed and approved in principle by the Board with further revisions delegated to the Finance and Fundraising Committee.
- The Board approved a D&I strategy in July 2020.
- The Board undertook a review of Trustee performance with all Trustees discussing their self-appraisal with the Chair.
- The Board introduced Chairs' Meetings so that committee chairs could meet prior to full Board meetings to ensure that all relevant business is covered.

During the 2019/20 year, the committees and advisory group met regularly in accordance with the annual meeting schedule and annual schedules of work. The committees and advisory group benefit from the specialist expertise of independent members selected to complement the skills and experience of Trustees.

During the COVID-19 lockdown the Board met every 2 weeks to discuss and make decisions in response to the rapidly changing environment and in relation to delivery of The Big Night In.

There have also been a number of additional Board meetings to discuss and make decisions in relation to the organisational restructuring which commenced in July 2020.

Decisions of the Trustees are implemented by the CEO (appointed by the Trustees) and the Executive Directors.

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 CEO and the Executive Directors who are responsible for areas of the charity as listed below. The CEO reports to the Chair of Trustees. Key management personnel constitute the Trustees, Chief Executive, Executive Directors, the General Counsel and Company Secretary. For the period from 1 August 2019 and up to the date of signing this report, the following served as Executive Directors:

Ruth Davison

Interim Chief Executive Officer (interim from 29 November 2019 – 1 March 2020 and from 21 March 2020 – present)

Liz Warner

Chief Executive Officer (left 28 November 2019)

Alex Reid

Chief Executive Officer (started 2 March 2020, left 20 March 2020)

Helen Wright

Executive Director of Finance and Resources (left 29 November 2019)

Alex Botha

Chief Operating Officer (started 26 November 2019)

Shabby Amini

Interim Executive Director of Fundraising and Creative (started 1 October 2019 and left 30 September 2020)

Fatima Ribeiro

Executive Director of Fundraising and Creative (started 5 October 2020)

Harriet Jameson

Interim Executive Director of Impact and Investment (started 25 November 2019 and left 31 August 2020)

Sue Wicks

Interim Executive Director of Impact and Investment (started 7 September 2020)

Charlotte Hillenbrand

Executive Director of Digital and Innovation (left 3 July 2020)

Andrew Broadbent

Chief Technology Officer (started 1 September 2020)

Stakeholder considerations

Background

As a company limited by guarantee, Comic Relief is required to report on how our Trustees have discharged their duty to promote the best interests of Comic Relief, while having regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006. In doing so, regard (amongst other matters) must be given to:

- The likely long-term consequences of any decision;
- The interests of employees;
- Fostering relationships with key stakeholders;
- The impact of operations on our communities and environment;
- Maintenance of our reputation for the highest standards of conduct; and
- The need to act fairly as between members of the company.

The Board recognises that Comic Relief’s relationship with its stakeholders is critical to its success. Our charitable objectives, scale and impact are achieved in large part through relationships across public, private and voluntary sectors.

The table that follows sets out our key stakeholder groups, the key considerations of each group and how we engage with them. Board discussions consider the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Stakeholder group	Key considerations	How we engage
<p>Funded partners</p>	<p>Comic Relief delivers social impact predominantly through funding frontline organisations working to tackle poverty and injustice. Considerations in relation to our funded partners are:</p> <ul style="list-style-type: none"> ■ Ensuring we have transparent and effective application processes, clearly advertised to potential partners. ■ Ensuring clear and effective decision-making processes that include both staff and Board members to determine selection of partners. ■ Ensuring communication with and requirements of funded partners are reasonable and mutually beneficial. 	<p>Clear criteria, guidance and processes for applications published on our website.</p> <p>Direct communication to all applicants to inform them of our decision.</p> <p>Detailed feedback to unsuccessful applicants.</p> <p>Clear Conditions of Funding to determine the parameters of the relationship with those who are funded by Comic Relief.</p> <p>Convening partners to learn and share with and from each other.</p> <p>Communication on our website and at sector events to demonstrate thought leadership and share our learning and expertise.</p> <p>Bi-annual survey to determine satisfaction levels with Comic Relief as a funder.</p>

Stakeholder group	Key considerations	How we engage
Beneficiaries	<p>Ultimately Comic Relief exists to improve the lives of those facing poverty and injustice. As we are not an operational charity, our reach to beneficiaries is via our funded partners</p> <p>Our key consideration in relation to beneficiaries is therefore how the priorities, voices and perspectives of beneficiaries are heard in our decision-making about which partners we fund.</p>	<p>We engage directly with beneficiaries of our work in two key ways:</p> <ul style="list-style-type: none"> ■ We ensure that our decision-making processes in relation to funded partners include those with direct lived experience of the issues we are seeking to address. ■ Meeting and interviewing individual beneficiaries as part of our storytelling, ensuring that they have agency over the way in which their story is captured and told.
BBC	<p>BBC is our major broadcast partner and is central to our success, providing us with a powerful platform, access to talent and also incredible reach.</p> <p>Key considerations in relation to BBC are:</p> <ul style="list-style-type: none"> ■ Editorial impartiality and standards. ■ Relevance of our content to the BBC audience. ■ Specific reporting requirements of BBC Appeals Advisory Committee (AAC). ■ Exclusivity of content for BBC channels versus other broadcast or social media outlets. ■ Relationship with other BBC-supported charities, specifically BBC Children in Need and the Disasters Emergency Committee. 	<p>A senior BBC manager has been on our Board of Trustees for many years ensuring they play an active role in our governance.</p> <p>A regular annual meeting is held with a formal report produced for BBC AAC.</p> <p>There are strong and close working relationships between the Fundraising and Creative teams at Comic Relief and the production teams at BBC and BBC Studios as we co-create the annual campaign. Frequency of meetings varies through the year but during the peak period of January to March, these are weekly.</p>

Stakeholder group	Key considerations	How we engage
<p>Funding partners</p>	<p>Comic Relief works with a wide range of partners from the private, public and philanthropic sectors, all of whom make vital contributions to our income and impact.</p> <p>Considerations in relation to funding partners are:</p> <ul style="list-style-type: none"> ■ Alignment of values and aspirations when creating the partnership to ensure expectations are clear. ■ Formal governance of relationships including contractual and financial agreements. 	<p>Our engagement with our funding partners includes:</p> <ul style="list-style-type: none"> ■ Regular meetings. ■ Project visits. ■ Formal reporting. ■ Production of bespoke communication materials and case studies. ■ Invitations to events and briefings.
<p>Employees</p>	<p>Comic Relief is proud to be a Living Wage employer and funder. Considerations in relation to our staff are:</p> <ul style="list-style-type: none"> ■ Employee satisfaction and engagement. ■ Employee wellbeing. ■ Diversity and Inclusion. ■ Opportunities for development and progression. 	<p>We engage with employees through:</p> <ul style="list-style-type: none"> ■ Monthly All Staff meetings and monthly 'Open House' forums. ■ Weekly 'Ask Me Anything' sessions with Executive Directors. ■ Monthly 'Employee Voice' panels held by Trustees directly with staff. ■ Workplace internal message board. ■ Employee engagement and annual and pulse surveys with resulting action plans. ■ Programme of learning events. ■ Wellbeing and support services and guidance. ■ Annual benchmarking of salaries.
<p>Regulators</p>	<p>Comic Relief strives to be best in class in terms of our compliance with all regulatory requirements and best practice guidance.</p>	<p>Timely submission of all required reports and paperwork.</p> <p>Proactive and open engagement with regulators when appropriate, including self-reporting.</p> <p>Prompt and comprehensive responses to all requests for information.</p>

The table below sets out the key decisions taken by the Comic Relief Board in 2019/20 and how the interests of our stakeholders and the wider factors set out in section 172 of the Companies Act 2006 were taken into account.

Decision	Narrative	Key considerations
Delivery of Comic Relief's Social Change Strategy 2017-2027	Comic Relief's Social Change Strategy outlines how, where and with which kinds of organisations we will invest our funding.	<p>Day to day delivery of the Social Change Strategy is delegated to staff but the Trustees retain oversight of the strategy and of every funding decision.</p> <p>The Social Impact Committee of the Board meets monthly to discuss and approve funding decisions and quarterly to review progress against the strategy. High risk decisions are presented for approval to the full Board.</p> <p>A formal annual review of progress against the strategy and lessons learnt is presented by Social Impact Committee to full Board annually.</p> <p>Key considerations are:</p> <ul style="list-style-type: none"> ■ Delivery of impact in line with our mission, vision and values. ■ Management of risk, including compliance, financial and reputational risk as well as risk of failure. ■ How to effectively 'shift power' to give greater agency to those with direct lived experience of the issues we are seeking to address, whilst balancing the needs of our partners and regulators.
Oversight of Comic Relief's Strategy 2017-2022	2019/20 was the third year of Comic Relief's Strategy, approved by the Board in 2017	<p>Progress against the strategy was reported to Board at their regular meetings through the year. Key considerations were:</p> <ul style="list-style-type: none"> ■ Appropriate use of charitable funds and sustainability of the financial and operating model of the group. ■ Balance of stakeholder expectations. ■ Ensuring that our approach to delivering the strategy was in line with our values, particularly in relation to ESG and diversity and inclusion. ■ Full compliance with all regulatory requirements.

Decision	Narrative	Key considerations
Appointment of interim and permanent CEO	Following the departure of CEO, Liz Warner in November 2019 Ruth Davison was appointed as Interim CEO. Alex Reid was then appointed permanent CEO and took up her position beginning March 2020. She subsequently stepped down later that month as a direct result of the Coronavirus pandemic and Ruth Davison resumed her interim role. Recruitment for the permanent CEO began in September 2020 and concluded in December 2020, with the new CEO starting in March 2021.	<p>Key considerations were:</p> <ul style="list-style-type: none"> ■ The need to run an open process for recruitment to the permanent CEO position in order to attract high calibre candidates, and the challenge of doing so during the pandemic. ■ The requirement to maintain stability and focus during two interim periods, particularly the second of these. ■ The requirements of the Board for a CEO to take the organisation forward in a very changed operating context.
Appointment of new Chair of Trustees	Following completion of two terms as Chair, Tim Davie stepped down from the Board in July 2020 and was replaced by Eric Salama.	<p>Key considerations were:</p> <ul style="list-style-type: none"> ■ Stakeholder input into their expectations of the Chair, particularly in light of the fact that this would not be a member of the senior team at BBC. ■ The need to run an open and transparent recruitment process, balanced with the requirement to be cost-effective. ■ The range of skills and availability of a new Chair given the demands of the role.

Decision	Narrative	Key considerations
Response to COVID-19 pandemic	The COVID-19 pandemic had a material impact on multiple aspects of Comic Relief's work and required additional, extraordinary oversight and decision making from Trustees.	<p>Key considerations were:</p> <ul style="list-style-type: none"> ■ Fundraising implications – The first impact of COVID-19 was on our annual challenge event. Originally scheduled to take place in Mongolia in February, it was relocated to Namibia. Sport Relief itself was the last live event in front of a studio audience before the first national lockdown in March and The Big Night In was an additional fundraising broadcast appeal that aimed to lift spirits and raise funds to help frontline charities respond to COVID-19. Other fundraising events were also moved online as the pandemic unfolded with safety and compliance with government guidelines a primary consideration for the Board. ■ Staff safety and wellbeing – Staff wellbeing was an over-riding concern throughout the pandemic. Early focus on the virus in Mongolia meant an active COVID-19 task force was established in February and plans were made to transition to remote working ahead of Sport Relief. As a result, the transition to full remote, and later hybrid working in a COVID-secure office, was well supported. Staff were offered additional financial and wellbeing support as well as technical and practical assistance. Board considerations were safety and wellbeing including mental wellbeing of staff during a period of great uncertainty.

Decision	Narrative	Key considerations
		<ul style="list-style-type: none"> ■ Financial implications – Due to significant volatility and uncertainty in the financial markets, the Board made the decision to divest c75% of Comic Relief’s investments, ensuring that they held their value in cash and that all commitments to funded partners could be honoured. This created immediate and medium-term stability for Comic Relief but also accelerated the need to reduce our operating cost base by reducing staff numbers during July and August 2020. Board considerations during this process were the long-term financial health of Comic Relief and the wellbeing of staff, particularly whose roles were made redundant.

KEY RISKS AND UNCERTAINTIES

Risk overview

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. As we've so significantly seen with the COVID-19 pandemic, 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 comprehensive policies. With the impact of COVID-19, increased regulation, and 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 the risks 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 helps to 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 strategy 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, is 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 wider management team.
- Comic Relief templates have been designed to capture and mitigate risks as they are identified.
- Reporting and escalation of risk information is as fully detailed as is possible at the time and seeks 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, particularly the Audit and Risk Committee, 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. Our wider management team brings together representatives from across the organisation with responsibility for risk management. This team shares best practice to ensure we have a consistent and joined-up approach.

We have a Legal and Assurance Team within the organisation that has a remit that includes overseeing our safeguarding, counter-fraud, compliance and internal audit activities and also the risk management process and advising on risk, including previously unknown risks. As noted, this team is accountable for the Internal Audit function, where we draw on the expertise of RSM (our internal auditors) to provide support and who independently evaluate the effectiveness of our internal control environment.

How we manage our key risks and uncertainties

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.

Comic Relief recognises that the organisation is exposed to certain risks due to the nature of our activities and the environment in which we operate. We consider the following to be the key risks and uncertainties we face and we have outlined the steps we take to manage these.

Description of the risk	What we are doing about it
<p>Threats to Income</p> <p>The uncertainties created by the COVID-19 pandemic and posed by Brexit present a range of risks to income and potential for increased UK need.</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>We are closely monitoring the impact of COVID-19 on our operations and the broader context in which we raise money and address need. We also continue to monitor the potential impact of Brexit on especially our day to day operations, contracts and supplies. The current uncertainty means we are paying special attention to our judgements and estimates. 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 the Finance and Fundraising Committee. 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>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 soon as they become available.</p>

Description of the risk	What we are doing about it
<p>Organisational resilience and reputational damage</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 we have. We recognise that there is a risk that our reputation could be damaged which can result in a range of issues including income decline and operational disruption.</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 philanthropic investments to demonstrate positive impacts and the need to keep on giving. We take a proactive approach to reputation management and our Crisis Management Plan is there if needed. We can be confident in our own activities and their impact, as we have good oversight of our UK and international funding through our processes and Committees. We continually monitor our philanthropic investments so we can identify any potentially critical issues related to the projects we fund.</p>
<p>People and wellbeing</p> <p>There is a risk to staff morale and mental wellbeing brought about by the long-term changes to our ways of working due to the COVID-19 pandemic and the restructuring process.</p> <p>Alongside that, there is also a risk to managerial resilience due to the changes in a number of senior appointments.</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>Comic Relief was quick to react to COVID-19 and has been very supportive to staff. This included being flexible in working arrangements and hours; providing equipment when requested; and organising a safe, secure space to work in the office for those unable to work from home or for whom working from home was impacting their mental wellbeing.</p> <p>We have clarified accountabilities across our wider management team. This alongside greater empowerment means that we have suitable checks and balances in place to effectively and transparently run the organisation. We believe it will also ensure greater managerial resilience and aid succession planning.</p> <p>We continue to invest in our people. We provide learning and development opportunities, benchmark our benefits, and engage with staff through regular all staff meetings and surveys.</p> <p>The wellbeing of our staff is important to enable them to continue doing their job successfully. We have signed up to the Time to Change pledge, and we have Mental Health First Aiders in place.</p>

Description of the risk	What we are doing about it
<p>Fraud</p> <p>There is a risk that money donated to Comic Relief, directly or by partners who receive investments is misappropriated or misused.</p>	<p>Our most significant area of fraud risk is in our philanthropic investments 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.</p> <p>We then monitor these investments throughout the life of the funding award in the form of six monthly and annual reporting, and proactive random checks. Due to COVID-19 our ability to carry out physical visits has been impacted and we are considering alternative options. All our staff are given specific fraud awareness training. If problems do arise, we have a Legal and Assurance 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 2019/20 the amount at risk from cases opened in that period was £290k, of this amount £47k has been recovered. During this period one related Serious Incident Report (SIR) was submitted to the Charity Commission. We continue to seek recovery of funds in active cases arising in previous years.</p> <p>Regular penetration and performance testing of our 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, the Audit and Risk Committee and the Board. Any recommendations for improvements are implemented in a timely manner.</p>

Description of the risk	What we are doing about it
<p>Governance and management</p> <p>Ensuring there is robust oversight and governance of the organisation is imperative to allow us to deliver our purpose and achieve success and sustainability.</p> <p>The transition of CEO and Chair and a change in Trustee composition of the Board and the Executive Leadership Team could result in an uncertainty in the organisation and a potential misalignment in and between key governance and management groups.</p>	<p>We have a robust and comprehensive Governance and Assurance framework in place that sets out key governance activities clearly. Oversight is provided through mechanisms such as Board, Committees and the Executive Leadership Team, and we have dedicated Trustees for key functions of the organisation. We have policies and an organisational structure in place to ensure strong governance and clear roles and responsibilities for Trustees, management and staff. This ensures robust succession planning in key managerial and Trustee positions.</p>
<p>Representation</p> <p>Our values, as an organisation, must be consistent and lead how we portray the partners we work with. There is a risk that we could suffer reputational damage if we do not represent our partners in a positive and fair light whilst understanding the impact of our decisions about how we portray people.</p>	<p>As an organisation, we continue to evolve how best to portray our partners and their work. We encourage 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>Telling compelling stories about the impact our funding is a critical part of Comic Relief's work. Our Safe Story Telling Guidelines help ensure that the safety, dignity and welfare of contributors is always at the heart of this work.</p>

Description of the risk	What we are doing about it
<p>Safeguarding</p> <p>There is a risk of harm and reputational damage if Comic Relief doesn't fulfil its duty of care to the people we work with – including staff, supporters, and beneficiaries of our philanthropic investment activity.</p>	<p>We have a dedicated Safeguarding function within the Legal and 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. We also have a safeguarding lead Trustee. Our comprehensive safeguarding policy and 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 philanthropic investments to our visual storytelling and our fundraising. 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>
<p>Information security and protection</p> <p>We are heavily reliant on data and robust and scalable systems and there is a risk of reputational damage, fines and operational disruption if our systems or data is compromised. There is also a risk of a personal data breach occurring.</p>	<p>We have a dedicated Technology function which has information security as a key area of focus and who ensures that a range of technical and user measures have been deployed and are constantly reviewed and regularly tested.</p> <p>Our Legal and Assurance Team also ensures we have a range of policies and procedures that cover information governance and security, including mandatory user training. We have comprehensive and regularly tested plans in place to deal with breaches should they occur.</p> <p>Reviews and audits of key areas to help identify improvements required are regularly undertaken and an internal audit of GDPR and data protection was undertaken during the year.</p>

PUBLIC BENEFIT AND STRATEGIC REPORT

The Trustees have approved the Trustees Annual Report, incorporating the Strategic Report, which provides an analysis of the Group's performance, its financial position and an insight into the Charity's objectives and the risks and uncertainties it faces. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting policies. Trustees believe they have demonstrated their compliance with the requirements set out in the Charity Commission guidance in preparing this report and the accounts.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Annual Report, incorporating the Strategic 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 the 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 group and 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 group and 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.

Each of the Trustees has confirmed that, so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware. They have also done everything they should have done, as a Trustee, to make themselves aware of any relevant audit information and to ensure the Charity's auditors are aware of it.

The Trustees report, incorporating the Strategic Report, was approved by the Board and signed on its behalf on 7 January 2021.



Charlotte Moar

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

Alex Botha

Interim Chief Executive Officer

Ruth Davison

Registered Office and Principal Address:

1st Floor
89 Albert Embankment
London
SE1 7TP

Statutory Auditor

BDO LLP
55 Baker Street London
W1U 7EU

Internal Auditor

RSM Risk Assurance
Services LLP
6th floor, 25
Farringdon St. London
EC4A 4AB

Honorary Accountants

EY LLP
1 More London Place
London
SE1 2AF

Bankers

National Westminster
Bank plc
P.O. Box 158
214 High Holborn
London
WC1V 7BX

Investment Advisors

Tilney Asset Management
6 New Street Square New
Fetter Lane
London
EC4A 3BF

Cambridge Associates
80 Victoria Street
Cardinal Place
London
SW1E 5JL

Custodians

State Street Trustees
525 Ferry Road
Edinburgh
EH5 2AW

Northern Trust Fiduciary
Services (Ireland)
Georges Court
54 – 62 Townsend Street
Dublin
D02 R156
Ireland

Solicitors

Bates Wells LLP
10 Queen Street Place
London
EC4R 1BE

Harbottle and 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 Numbers

Charity Projects: 1806414
Comic Relief Ltd: 01967154
Brand Relief Ltd: 06808703

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 2020 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 ("FRS") 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 2020 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 Financial Reporting Council's ("FRC") 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.

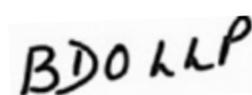
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 FRC website: www.frc.org.uk/auditorsresponsibilities. 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.



Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO
LLP, statutory auditor

London

Date:

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

FINANCIAL STATEMENTS

Consolidated statement of financial activities

(incorporating a Consolidated income and expenditure account) for the year ended 31 July 2020

		2020		
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:				
Donations and legacies	(2)	19,669	51,235	70,904
Trading activities		4,472	701	5,173
Investments	(2/4)	1,952	-	1,952
Total income	(2)	26,093	51,936	78,029
Expenditure on:				
Raising funds		15,652	430	16,082
Charitable activities				
Tackling poverty and social injustice:				
UK		18,677	27,688	46,365
International		26,863	14,646	41,509
Global awareness, education and social change		1,565	31	1,596
		47,105	42,365	89,470
Total expenditure	(5a)	62,757	42,795	105,552
Operating (deficit)/surplus		(36,664)	9,141	(27,523)
(Losses)/gains on investments	(4/12)	(9,253)	-	(9,253)
Net income / (expenditure)		(45,917)	9,141	(36,776)
Transfers between funds	(19/20)	(39)	39	-
Net movement in funds		(45,956)	9,180	(36,776)
Funds brought forward at 1 August 2019	(19/20)	132,128	54	132,182
Funds carried forward at 31 July 2020	(19/20)	86,172	9,234	95,406

Consolidated statement of financial activities (continued)

(incorporating a Consolidated income and expenditure account) for the year ended 31 July 2019

		2019		
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:				
Donations and legacies	(2)	45,803	25,161	70,964
Trading activities		11,677	-	11,677
Investments	(2/4)	3,347	-	3,347
Total income	(2)	60,827	25,161	85,988
Expenditure on:				
Raising funds		15,145	-	15,145
Charitable activities				
Tackling poverty and social injustice:				
UK		26,861	6,014	32,875
International		31,483	17,634	49,117
Global awareness, education and social change		1,795	-	1,795
		60,139	23,648	83,787
Total expenditure	(5a)	75,284	23,648	98,932
Operating (deficit)/surplus		(14,457)	1,513	(12,944)
(Losses)/gains on investments	(4/12)	13,213	-	13,213
Net income / (expenditure)		(1,244)	1,513	269
Transfers between funds	(19/20)	-	-	-
Net movement in funds		(1,244)	1,513	269
Funds brought forward at 1 August 2018	(19/20)	133,372	(1,459)	131,913
Funds carried forward at 31 July 2019	(19/20)	132,128	54	132,182

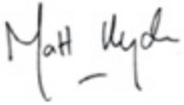
All amounts relate to the continuing activities of the group. The reference to the notes, which form part of these financial statements, is shown on each line as appropriate. The notes are shown on pages 71 to 98.

Balance sheet (Charity Projects company number 01806414)**As at 31 July 2020**

	Notes	2020		2019	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Intangible assets	(10)	172	1	227	16
Tangible assets	(11)	557	557	307	307
Investments	(12a)	49,560	49,560	137,138	137,138
Social Investments	(1d)	1,322	1,322	726	726
		51,611	51,440	138,398	138,187
Current assets					
Investments	(13)	-	-	45,543	45,486
Inventory		65	-	-	-
Debtors (including £0.1m due after more than one year)	(14)	20,063	26,569	41,560	38,096
Cash at bank and in hand	(25)	114,831	107,649	4,940	3,897
		134,959	134,218	92,043	87,479
Current liabilities					
Provisions	(16)	(1,156)	(1,156)	(670)	(670)
Creditors: amounts falling due within one year	(15a)	(53,469)	(52,707)	(66,417)	(61,792)
		(54,625)	(53,863)	(67,087)	(62,462)
Net current assets					
		80,334	80,355	24,956	25,017
Total assets less current liabilities					
		131,945	131,795	163,354	163,204
Creditors: amounts falling due after more than one year	(15a)	(36,539)	(36,539)	(31,172)	(31,172)
Net assets					
	(18)	95,406	95,256	132,182	132,032
Funds					
Unrestricted funds					
Designated funds	(19)	49,955	48,210	75,071	66,160
General fund	(19)	36,217	37,812	57,057	65,818
Total unrestricted funds		86,172	86,022	132,128	131,978
Restricted funds	(20)	9,234	9,234	54	54
Total funds					
		95,406	95,256	132,182	132,032

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 expenditure for Charity Projects (company number 01806414) in the year was £36.8m (2019: net income of £0.3m).

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



Matt Hyde
Chair Audit and Risk Committee

7 January 2021



Charlotte Moar
Treasurer

7 January 2021

The notes on pages 71 to 98 form part of these financial statements

Consolidated statement of cash flows

For the year ended 31 July 2020

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities:	A		
Net cash used in operating activities		(15,496)	(25,491)
Cash flows from investing activities:			
Dividends and interest	(4)	1,952	3,347
Purchase of tangible fixed assets	(11)	(396)	(148)
Purchase of intangible fixed assets	(10)	(8)	(7)
Net proceeds from sale / purchase of fixed asset investments	(12b)	78,296	6,454
Net movement on current investments > 3 months	(13)	-	5,151
Net cash provided by (used in) investing activities		79,844	14,797
Change in cash and cash equivalents in the reporting period	B	64,348	(10,694)
Cash and cash equivalents at 1 August		50,483	61,177
Cash and cash equivalents at 31 July		114,831	50,483
A. Reconciliation of net (expenditure)/ income to net cash flow used in operating activities			
Net (expenditure) / income for the reporting period		(36,776)	269
Adjustments for:			
Depreciation and amortisation charges	(5a)	210	237
Losses / (gains) on investments	(12)	9,281	(13,213)
Dividends and interest	(4)	(1,952)	(3,347)
Loss on the disposal of fixed assets	(10)	-	8
Decrease / (increase) in debtors	(14)	20,901	(13,621)
(Decrease) / increase in creditors	(15)/(16)	(7,095)	4,176
(Increase) in inventory		(65)	-
Net cash used in operating activities		(15,496)	(25,491)
B. Analysis of cash and cash equivalents			
		At 1 Aug 2019	At 31 July 2020
		Movement	
Cash at bank and in hand	(25)	4,940	114,831
Current investments (less than three months)	(13)/(25)	45,543	-
Total cash and cash equivalents		50,483	114,831

The notes on pages 71 to 98 form part of these financial statements

Notes to the financial statements for the year ended 31 July 2020

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) Second Edition applicable to charities preparing their accounts in accordance with FRS 102 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounting policies below have been adopted for material items. We are closely monitoring the impact of COVID-19 on our operations and the broader context in which we raise money and address need. Based on independent investment advice we have sold 75% of our investment portfolio to protect Comic Relief assets during these turbulent times and ensure that we have sufficient cash to cover all grant commitments and operating costs at least 18 months after the date of signing the annual accounts. We have reviewed our investment and cash portfolios, cash flow forecasts, budgets, and business plans. These have been stress-tested based on the possible impact of the COVID-19 pandemic. This extensive review has identified 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. The considerations made in this assertion include review of the current and future operations and plans of the Group, review of our cash and investment holdings and review of our reserves levels.

b) Consolidation

These financial statements represent the consolidated results and net assets of Charity Projects and its subsidiaries up to 31 July 2020. All members of the Charity Projects Group are listed on page 40.

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 expenditure of the charity for the financial year was £36.8m (2019: net income of £0.3m).

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. At year end unclaimed gift aid income related to in-year income has been accrued based on estimates using our donations records and knowledge of historical conversion rates. The provision for dilapidations is based on professional estimates for the work that would be required to restore the property to its original state as required by the lease.

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 (other than as disclosed in note 1i) 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 (continued)

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 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 investments are programme related investments valued at a cash basis less provision for doubtful debt.

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 1/3% 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.

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:-

Fixture and fittings	25% - 33 1/3 straight-line basis
Computer Equipment	33 1/3% straight-line basis
Office premises (refurbishment)	33 1/3 % straight-line basis

Refurbishment assets are depreciated over 3 years due to the length of the building lease. Residual values and useful economic lives are reviewed annually. Any impairment in value is charged to the statement of financial activities.

f) Cash

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 certainty 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 and it is quantifiable. 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 licensing, events, trading activities and sponsorship is recognised in the period in which the event or campaign occurs.

Rights and royalty income are recognised on an accruals basis provided it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue can be measured reliably. Otherwise the income is recognised on a cash basis.

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.

Donated goods and services are included within contributions to operating costs. Our nights of TV 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.

Comic Relief is also grateful to other organisations which provide valuable support across a wide of activities including, but not limited to, advertising space, creative content, technology partners and consultancy work.

1. Accounting policies (continued)

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 headcount 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 (referred to as 'philanthropic investments' in the Annual Report) 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 headcount as detailed in note 5b.

Governance comprises costs in relation to statutory and regulatory compliance.

k) Grants payable

Grants (referred to as 'philanthropic investments' in the Annual Report) 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 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 used to cover fundraising and running costs in the year. 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.

r) Inventories

Inventories for sale are valued at the lower of cost and net realisable value on a first in first out basis.

1. Accounting policies (continued)

s) Funds held on behalf of third parties

Joint activities were undertaken in the year with BBC Children in Need for the Big Night In campaign. We have recognised our share of income, expenditure, assets

and liabilities in line with the agreement. During the year and at the year end we held funds as an agent of BBC Children in Need as set out in note 15a.

2. Total Income - Group

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Donations and legacies					
Fundraising events		15,918	32,518	48,436	42,608
Grant income	(2a)	1,592	17,347	18,939	25,679
Legacies		36	-	36	1
Gift Aid		2,043	1,370	3,413	2,549
Contributions to operating costs		80	-	80	127
		19,669	51,235	70,904	70,964
Trading activities					
Trading income	(3)	4,472	701	5,173	11,677
Investment income	(4)	1,952	-	1,952	3,347
		26,093	51,936	78,029	85,988

Fundraising events include income raised through our campaigns. During 2020 we held Sport Relief as our main campaign whereas 2019, the comparative period, was a Red Nose Day year. Due to the substantial difference in annual income profiles between these campaigns, comparisons may not always prove useful. Unique to 2020 was our Big Night In fundraiser in response to the COVID-19 pandemic. The campaign raised £37m which was matched pound for pound by DCMS giving a total amount raised of £74m. The first £20m of the match went to National Emergencies Trust (NET), £4m for NHS charities came to Comic Relief and the remaining £50m was split equally

between Comic Relief and BBC Children in Need. The total income for Comic Relief was therefore £29m, of which £27m has been recognised in this financial year. All income for Big Night In was restricted.

Trading activities comprise the turnover of Comic Relief Limited, a trading subsidiary of Charity Projects less any intercompany charges netted off on consolidation.

Trading income consists of income from merchandising and royalties of £3.0m, (2019: £8.8m), and income of £2.2m (2019: £4.3m) from licensing activities and sponsorship.

Brand Relief Limited is dormant and had no turnover in the year (2019: nil turnover).

2. (a) Grant Income

Grant income is comprised of:

Name of funder	2020			2019		
	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Foreign, Commonwealth & Development Office (FCDO)	-	4,304	4,304	2,029	4,659	6,688
The Bill and Melinda Gates Foundation	1,444	-	1,444	-	7,543	7,543
The Queen Elizabeth Diamond Jubilee Trust	-	(57)	(57)	-	798	798
GlaxoSmithKline	-	-	-	-	3,400	3,400
Esmeé Fairbairn Foundation	-	-	-	-	400	400
The BT Supporters Club	-	-	-	-	2,909	2,909
The Clothworkers Foundation	-	-	-	-	200	200
Kentucky Fried Chicken Foundation	-	-	-	-	200	200
Greater London Authority Mayors Fund	-	483	483	-	244	244
Scottish Government	-	250	250	-	-	-
The Paul Hamlyn Foundation	-	400	400	-	500	500
Department for Digital, Culture, Media & Sport	-	9,024	9,024	-	2,398	2,398
Sport England	-	150	150	-	-	-
National Emergencies Trust	-	2,750	2,750	-	-	-
Government Grant - Furlough	148	-	148	-	-	-
Other Funders	-	43	43	-	399	399
Total grant income	1,592	17,347	18,939	2,029	23,650	25,679

3. Comic Relief Limited and Brand Relief Limited

The results for Comic Relief Limited, a wholly owned trading subsidiary of Charity Projects, were as follows:

	Total 2020 £'000	Total 2019 £'000
Turnover	5,536	13,087
Expenditure	(1,812)	(2,113)
Operating profit	3,724	10,974
Interest receivable	7	5
Profit on ordinary activities before taxation	3,731	10,979
Taxation	-	-
Retained profit for the year after taxation	3,731	10,979
Qualifying charitable donation	(3,731)	(10,979)
Current year tax credit	-	-
Change in shareholder's funds	-	-

Assets and liabilities	2020 £'000	2019 £'000
Intangible fixed assets	171	210
Current assets	9,759	17,169
Current liabilities	(9,780)	(17,229)
Net current liabilities	(21)	(60)
Net assets	150	150

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.

4. Investment income - Group

	2020	2019
	£'000	£'000
Dividends	1,292	3,005
Other interest receivable	660	342
Gross investment income	1,952	3,347

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

a) Investment portfolio

Dividends	1,292	3,005
(Losses)/gains on investments	(9,253)	13,213
Gross investment return	(7,961)	16,218
Less portfolio management costs	(645)	(402)
Net investment return	(8,606)	15,816

b) Income from cash holdings

	2020	2019
	£'000	£'000
Interest receivable	660	342
Less cash management charges	-	(15)
Net return from cash holdings	660	327

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	2020 Total £'000	2019 Total £'000
Expenditure on raising funds						
Costs of generating donations and legacies	-	8,184	1,971	3,425	13,580	12,615
Fundraising trading and other costs	-	773	149	935	1,857	2,113
Investment management costs		-	645	-	645	417
	-	8,957	2,765	4,360	16,082	15,145
Charitable activities						
Tackling poverty and social injustice:						
UK	42,182	2,426	666	1,091	46,365	32,875
International	37,763	2,172	596	978	41,509	49,117
Global awareness, education and social change	-	956	226	414	1,596	1,795
	79,945	5,554	1,488	2,483	89,470	83,787
Total expenditure	79,945	14,511	4,253	6,843	105,552	98,932

Note 6 provides a breakdown of charitable activities by strategic priority.

	2020 £'000	2019 £'000
Expenditure includes:		
Auditor's remuneration: audit of these financial statements - charity	44	44
prior year additional fees	20	-
Amounts receivable by auditors and their associates in respect of:		
■ Audit of financial statements of subsidiaries pursuant to legislation	23	20
■ Other services relating to taxation	7	3
Operating lease rentals - land and buildings, and other	560	618
Depreciation and amortisation	210	237
Governance costs	184	180

5. (b) Analysis of support costs - Group

	Premises £'000	Depreciation £'000	IT & Office £'000	HR, finance & management £'000	2020 Total £'000	2019 Total £'000
Expenditure on raising funds						
Costs of generating donations and legacies	539	115	579	738	1,971	1,744
Fundraising trading and other costs	41	8	44	56	149	311
Investment management costs	-	-	-	645	645	417
	580	123	623	1,439	2,765	2,472
Charitable activities						
Tackling poverty and social injustice:						
UK grant making	182	39	196	249	666	577
International grant making	163	35	175	223	596	862
Global awareness, education and social change	62	13	66	85	226	231
	407	87	437	557	1,488	1,670
Total support costs	987	210	1,060	1,996	4,253	4,142

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

6. Charitable activities - grants – Group & Charity

	2020			2019		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Tackling poverty and social injustice - UK						
A safe place to be	3,537	3,409	6,946	6,483	635	7,118
Children survive and thrive	3,080	1,270	4,350	-	-	-
Gender justice	752	7,722	8,474	4,707	3,083	7,790
Global mental health	6,820	2,704	9,524	751	716	1,467
Other	2,496	11,382	13,878	12,018	1,644	13,662
Total grants allocated	16,685	26,487	43,172	23,959	6,078	30,037
UK cancelled grants	(873)	(117)	(990)	(238)	(22)	(260)
UK learning & evaluation direct costs	-	-	-	282	-	282
Total UK grant costs (note 5a)	15,812	26,370	42,182	24,003	6,056	30,059

Included in the above, the amount spent on our UK COVID-19 response was £23.2m.

6. Charitable activities - grants – Group & Charity (continued)

	2020			2019		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Tackling poverty and social injustice - International						
A safe place to be	6,548	-	6,548	6,600	708	7,308
Children survive and thrive	4,902	4,342	9,244	3,897	4,794	8,691
Gender justice	5,225	6,933	12,158	10,920	4,883	15,803
Global mental health	7,698	1,757	9,455	42	509	551
Other	1,768	1,875	3,643	6,678	6,323	13,001
Total grants allocated	26,141	14,907	41,048	28,137	17,217	45,354
International cancelled grants	(1,843)	(1,442)	(3,285)	(441)	(425)	(866)
International learning & evaluation direct costs	-	-	-	423		423
Total International grant costs (note 5a)	24,298	13,465	37,763	28,119	16,792	44,911

Included in the above, the amount spent on our International COVID-19 response was £3.9m.

Total grant costs (note 5a)	40,110	39,835	79,945	52,122	22,848	74,970
------------------------------------	---------------	---------------	---------------	--------	--------	--------

Total funding awarded in the year was £84.2m (2019: £75.4m).

Total funding awarded excludes any cancellations. Grants may regrettably be cancelled for a range of reasons such as delivery not being possible.

All funding is awarded to charitable organisations. A breakdown of the awards is available from Comic Relief, 89 Albert Embankment, London SE1 7TP.

7. Staff - Group

	2020	2019
	No.	No.
The average number of persons employed by the group during the year was:		
Fundraising events	70	62
Operations	55	51
Education/communications	50	40
Grant making and management	66	66
International campaigns	2	4
	243	223
	2020	2019
	£'000	£'000
Staff costs for the above persons comprised:-		
Wages and salaries	10,500	9,510
Redundancy costs	662	39
Social security costs	1,219	1,070
Pension costs	1,156	926
	13,537	11,545
Agency staff	974	2,217
Total staff costs	14,511	13,762

7. Staff - Group (continued)

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

	2020		2019	
	2020 £'000	(excluding redundancy) £'000	2019 £'000	(excluding redundancy) £'000
£60,001 - £70,000	18	18	13	13
£70,001 - £80,000	10	10	4	4
£80,001 - £90,000	3	3	2	2
£90,001 - £100,000	1	2	3	3
£100,001 - £110,000	-	1	3	3
£110,001 - £120,000	-	-	1	1
£120,001 - £130,000	2	1	-	-
£130,001 - £140,000	1	-	-	-
£200,001 - £210,000	-	-	1	1
	35	35	27	27

There were three Chief Executives in post over the year. The total remuneration during the year excluding pensions, for all staff in the Chief Executive position was £193k (2019: £176k). Additional payments of £5k (2019: £24k) were made to the Chief Executive during 2019/20. As at the date of publication the annual salary of the interim Chief Executive is £140k and for this appointment going forwards this role is purely funded from non-public sources.

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 £941k (2019: £962k).

Total redundancy costs during the year were £662k (2019: £39k) which relate to the restructuring which was announced in summer 2020.

8. Trustees

Trustees received £nil remuneration in the year (2019: £nil). Costs of £11,310 were incurred for travel, accommodation and subsistence in relation to trustee duties (2019: £9,161). A further £4,206 was spent on meeting expenses (2019: £4,688). In 2020 all Trustee training was provided in-house. No Trustees were reimbursed directly for expense claims (2019: 3 totalling £1,339).

Indemnity insurance costing £8,960 (2019: £7,056) was purchased on behalf of the Trustees.

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 (2019: £nil).

10. Intangible fixed assets - Group and charity

	Trademarks	Software No.	Total No.
Cost			
At 1 August 2019	550	3,771	4,321
Additions	8	-	8
Disposals in year	-	(1,974)	(1,974)
At 31 July 2020	558	1,797	2,355
Amortisation			
At 1 August 2019	340	3,754	4,094
Charged in the year	47	16	63
Disposals in year	-	(1,974)	(1,974)
At 31 July 2020	387	1,796	2,183
Net book value			
At 31 July 2020	171	1	172
At 31 July 2019	211	16	227

During the year, some fully depreciated software assets no longer in use were retired and these are reflected in the disposals.

There was no impairment in the value of trademark intangible assets as at 31 July 2020 (2019: £nil).

11. Tangible fixed assets - Group and charity

	Premises and Fixtures	Computer Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 August 2019	1,477	1,704	3,181
Additions	322	74	396
Disposals in year	-	(1,093)	(1,093)
At 31 July 2020	1,799	685	2,484
Depreciation			
At 1 August 2019	1,312	1,561	2,873
Charged in the year	59	88	147
Disposals in year	-	(1,093)	(1,093)
At 31 July 2020	1,371	556	1,927
Net book value			
At 31 July 2020	428	129	557
At 31 July 2019	165	142	307

During the year, some fully depreciated assets no longer in use were retired and are reflected in the disposals. Additions in the year include refurbishment costs relating to the renovation of the remaining office space following the downsizing of one floor.

12. Fixed asset investments - Group and charity

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

	2020	2019
	£'000	£'000
Segregated global equities		
Fundsmith LLP	20,883	71,149
Stewart Investors Worldwide Sustainability Fund	-	-
MFG Magellen Investment	-	13,113
Leadenhall Value Fund	307	2,673
Trojan Ethical Fund	2,797	16,073
Private equity		
Bridges Community Development Ventures Fund II LP	-	-
Schroders Private Equity Fund of Funds III	1,264	1,330
Property		
F&C Commercial Property Trust	-	2,315
Charity Property Fund	21,845	26,390
Cash	2,464	4,095
Total Group & Charity	49,560	137,138

During the year, 75% of the liquid investments were disposed of as described in the Annual Report.

Part of the balanced portfolio held by Charity Projects is an investment in the Savills Charity Property fund valued at £21.8 million based on the net asset value (NAV) price at the balance sheet date. Whilst real estate markets have continued to function, activity levels have been reduced since the outbreak of COVID-19. The fund manager has therefore been notified by their external valuers that they are unable to value its assets at 31 July 2020 without inserting a "material uncertainty" clause (MUC) which states that their valuation carries a greater degree of judgement than would previously be the case due to the unprecedented circumstances being faced. The valuers have followed the requirements as per the RICS Red Book Global, which contains mandatory rules, best practice guidance and related commentary for all RICS members undertaking asset valuations. By 31 July the RICS had withdrawn its recommendation for a MUC for London offices, industrial and residential properties (47 of the 123 properties in the portfolio). Regional offices (15 properties) were removed from the recommendation on 7 August 2020. The trustees therefore believe that the NAV represents the fair value of the investment at the 31 July 2020.

12. Fixed asset investments - Group and charity (continued)

b) Reconciliation of opening and closing market value:

	2020 £'000	2019 £'000
Market value at 1 August	137,138	130,379
Net disposals	(78,297)	(6,454)
Net investment (losses)/gains	(9,281)	13,213
Market value of portfolio at 31 July	49,560	137,138
Historic cost of investments at 31 July	34,746	89,674

c) The charity holds unlisted investments costing £3 (2019: £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	Income generation	Ordinary £1	100%
Brand Relief Limited (note 3)	£1	England	Dormant	Ordinary £1	100%

13. Current asset investments

	2020		2019	
	< 3 months to maturity £'000	Total £'000	< 3 months to maturity £'000	Total £'000
Call accounts	-	-	45,285	45,285
Global liquidity funds – Charity Projects	-	-	201	201
Market value at 31 July - Charity	-	-	45,486	45,486
Global liquidity funds - Comic Relief Limited	-	-	57	57
Market value at 31 July - Group	-	-	45,543	45,543

14. Debtors

	2020		2019	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(a) Amounts falling due within one year:</i>				
Amounts due from subsidiary undertakings	-	9,018	-	8,146
Other debtors	8,617	7,297	24,623	13,796
Taxation and social security	-	-	523	-
Prepayments and accrued income	11,347	10,155	14,661	14,401
	19,964	26,470	39,807	36,343

Other debtors in 2019 included payments from commercial partners which are larger in a Red Nose Day year (2019) compared to a Sport Relief year (2020).

	2020		2019	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(b) Amounts falling due after more than one year</i>				
Prepayments and accrued income	99	99	1,753	1,753
	99	99	1,753	1,753

15. Creditors

	2020		2019	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(a) Amounts falling due within one year:</i>				
Grants approved not yet paid	49,947	49,947	57,062	57,062
Other creditors	474	332	3,248	2,930
Taxation and social security	627	268	376	376
Accrued expenditure & deferred income	1,401	1,140	5,731	1,424
Funds held on behalf of Third Parties	1,020	1,020	-	-
	53,469	52,707	66,417	61,792

Funds held on behalf of Third Parties is the sum due at 31 July 2020 to be paid across to BBC Children in Need for their share of funds from the Big Night In fundraising event. Details of their Charitable Objects can be found on the Charity Commission website. The joint Big Night In income falls within the remit of each Charity's objects. We have ensured safe custody and segregation of these assets. During the year the funds collected on behalf of BBC Children in Need and already passed on totals £8.5m.

15. Creditors (continued)

	2020		2019	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
<i>(b) Amounts falling due after more than one year</i>				
Grants approved not yet paid	36,539	36,539	31,172	31,172

16. Provisions

	2020		2019	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Dilapidations provision	478	478	670	670
Restructure provision	678	678	-	-
Provisions	1,156	1,156	670	670

The restructure provision relates to costs committed in the 19/20 financial year but paid out in the following financial year.

The dilapidations provision has been updated in line with the renewed lease which lasts for 4 years.

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 12 members at 31 July 2020 (2019:18).

18. Analysis of group net assets between funds

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	51,611	-	51,611	138,398	-	138,398
Current assets	117,672	17,287	134,959	59,450	32,593	92,043
Current liabilities	(54,439)	(186)	(54,625)	(43,083)	(24,004)	(67,087)
Liabilities due after one year	(28,672)	(7,867)	(36,539)	(22,637)	(8,535)	(31,172)
Group net assets	86,172	9,234	95,406	132,128	54	132,182

19. Unrestricted funds

	Balance 1 Aug 2018 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance 31 July 2019 £'000
Group and Charity designated funds						
Social Change 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 and Melinda Gates Foundation	828	-	(26)	-	-	802
Red Shed	8,221	-	(387)	-	-	7,834
Fixed Asset Reserve	624	-	-	-	(90)	534
Total designated funds	81,439	52,127	(58,405)	-	(90)	75,071
Group general fund	51,933	8,700	(16,879)	13,213	90	57,057
Total Group funds	133,372	60,827	(75,284)	13,213	-	132,128
Total Charity funds	133,222	58,714	(73,171)	13,213	-	131,978

19. Unrestricted funds (continued)

	Balance 1 Aug 2019 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance 31 July 2020 £'000
Group and Charity designated funds						
Social Change Fund	57,563	18,797	(40,840)	-	(12,307)	23,214
Match funding commitments (previously shown as part of Social Change Fund)	8,003	-	(4,074)	-	12,134	16,062
Common Ground Initiative I	294	-	(294)	-	-	-
Common Ground Initiative II	41	-	(175)	-	134	-
The Bill and Melinda Gates Foundation	802	1,445	(24)	-	-	2,223
Red Shed	7,834	20	(127)	-	-	7,727
Fixed Asset Reserve	534	-	-	-	195	729
Total designated funds	75,071	20,262	(45,534)	-	156	49,955
Group general fund	57,057	5,831	(17,223)	(9,253)	(195)	36,217
Total Group funds	132,128	26,093	(62,757)	(9,253)	(39)	86,172
Total Charity funds	131,978	24,283	(60,947)	(9,253)	(39)	86,022

Social Change Fund represents all unrestricted income that has been designated for grants and the cost of making, managing and monitoring grants but is not yet committed. This year £4.4m was distributed as emergency COVID-19 response grants. We commit all funds within two years of receipt.

Match funding commitments represent the funds that the Trustees have designated to co-fund joint programmes with some of our key funding partners. These funds were previously shown as part of our Social Change Fund. New funds that have been matched this year included £6m matched by the Foreign, Commonwealth & Development Office, £2m matched by Impetus and £1.5m matched by The Gates Foundation.

The Common Ground Initiative I and II programs have now both successfully completed. They were managed by Comic Relief and co-funded by UKAid from the Foreign, Commonwealth & Development Office (formerly the Department for International Development (DfID)).

The Bill and Melinda Gates Foundation represents a general grant that has been designated by the Trustees of Comic Relief to drive the development of new and existing income streams, advance our digital platforms and engage new audiences.

19. Unrestricted funds (continued)

Red Shed is a designation of funds 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.

20. Restricted funds – Group and Charity

	Balance 1 Aug 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 July 2019 £'000
Emergency funds raised in response to COVID-19	-	-	-	-	-
GSK Malaria fund	(2,658)	3,411	(2,547)	-	(1,794)
Foreign, Commonwealth & Development Office grants	(8,283)	4,657	(440)	-	(4,066)
Department for Culture, Media and Sport grants	(637)	2,398	(2,933)	-	(1,172)
Impetus Youth Endowment Fund	-	-	-	-	-
Corporate partner funds	1,664	4,110	(4,913)	-	861
The Bill and Melinda Gates Foundation	3,537	7,542	(7,309)	-	3,770
Other restricted funds	4,918	3,043	(5,506)	-	2,455
Total restricted funds	(1,459)	25,161	(23,648)	-	54

20. Restricted funds – Group and Charity (continued)

	Balance 1 Aug 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 July 2020 £'000
Emergency funds raised in response to COVID-19	-	32,992	(22,940)	-	10,052
GSK Malaria fund	(1,794)	3,400	(627)	-	979
Foreign, Commonwealth & Development Office grants	(4,066)	4,304	(8,751)	-	(8,513)
Department for Culture, Media and Sport grants	(1,172)	2,490	(1,304)	-	13
Impetus Youth Endowment Fund	-	4,000	-	-	4,000
Corporate partner funds	861	3,141	(2,749)	-	1,253
The Bill and Melinda Gates Foundation	3,770	-	(3,770)	-	-
Other restricted funds	2,455	1,609	(2,652)	39	1,450
Total restricted funds	54	51,936	(42,795)	39	9,234

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.

Emergency funds raised in response to COVID-19

The income in this fund comes from a variety of sources, including £21.9m from our joint Big Night appeal with BBC Children in Need (CiN), £6.5m from DCMS to match fund our Big Night In appeal and £4.6m from our own COVID-19 Response fundraising appeal which includes the sale of 'Love Wins' merchandise. The income from The Big Night In, which was jointly devised and delivered by Comic Relief and CiN, was equally split between the two organisations and then matched by

DCMS. Funds were distributed to a number of organisations with national reach that could flow urgent funds to communities and projects on the front line of the COVID-19 response. We also used funds to give up to £40k 'Recovery funding' to 202 of our existing UK funded partners to support their response to COVID-19. Of the £6.8m, £4m is set aside for NHS Charities Together.

The Comic Relief COVID-19 Fund is funds raised through our public COVID-19 campaign to distribute funds into UK and International organisations working to support communities affected by COVID-19. In the UK the funds will go towards our 'Change Makers' programme and internationally we will fund Intermediary organisations in each of the regions we fund in to reach grassroots projects at the forefront of the COVID-19 response.

GSK Malaria Fund

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

20. Restricted funds – Group and Charity (continued)

Foreign, Commonwealth & Development Office Grants

This fund is made up of a number of multi-year, match-funded grants with the Foreign, Commonwealth & Development Office (FCDO, formally known as DFID). Grant costs are recognised in full when the funding is awarded whereas the related income is recognised only when the cash is received or it becomes receivable and when any conditions for receipt have been met, therefore this fund is in a negative balance which will be covered by future income received against this. The most recent match-funded grant is Shifting the Power, which is a ten year grant of £30 million, with Comic Relief matching pound for pound (up to £30m), to fund local organisations in Ghana, Malawi, and Zambia to invest in their own organisational development, generate resources locally and better respond to the priorities of local people.

Other funds in this portfolio include:

- Global Mental Health Matters: a £2m co-funding arrangement created as part of Red Nose Day 2019 with all funds being allocated to mental health projects in Kenya.
- All in All learning: a £10m co-funding arrangement created as part of Red Nose Day 2015 with all funds allocated towards education in sub-Saharan Africa,
- Trade & Enterprise Initiative: a £10m co-funding arrangement created as part of Sport Relief 2014 where all funds will be allocated towards supporting income generation and enterprise growth across sub-Saharan Africa.
- Maanda Initiative: a £16m co-funding arrangement created as part of Red Nose Day 2013 which Comic Relief will allocate towards improving the lives of women and girls in sub-Saharan Africa.
- Slums Initiative: a £10m co-funding arrangement created as part of Sport Relief 2012 to fund slums projects in four cities in Africa.

Department for Media, Culture and Sports Grants

We have three grants totalling £7.29m funded by The Department for Media, Culture and Sport. These are co-funded grants to fund women's organisations across the UK that support women and girls facing multiple disadvantage, specifically gender-based violence and abuse, in addition to mental ill-health and substance misuse.

This includes investments 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.

Impetus - Youth Endowment Fund

The Youth Endowment Fund is a new 3 year partnership between Comic Relief and Impetus. In this £8m co-funded programme, Comic Relief will work to design a grant fund addressing serious youth violence in the UK.

Corporate Partner Funds

We have a number of Corporate Partner funds that have raised funds for us this year including the BT Supporters club (£1.9m) and KFC Foundation (£740k). 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 makes a contribution to cover the operating costs and management of the fund. The Kentucky Fried Chicken Foundation has committed to donate £3m to Comic Relief for a 3 year programme. The funds from this year will top up existing projects focusing on helping young people fulfil their potential.

20. Restricted funds – Group and Charity (continued)

Other restricted funds

We have received a further £1.6m towards existing programmes including £400k for our Tech for Good 2 programme which is a Social Tech initiative, co-funded by Comic Relief and the Paul Hamlyn Foundation. Tech for Good 2 follows on from. Tech for Good to support

not-for-profit organisations to develop or scale up digital projects which deliver new or improved services to beneficiaries, and £483k for our 3 year London Together programme with the Greater London Authority Mayor's Fund which invests in projects that use sport to improve social integration in London.

21. Contingent Assets

As at 31 July 2020, 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 £51.7m (2019: £33m).

22. Contingent Liabilities

As at 31 July 2020, the Charity had entered into a 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 £448k has been made. The Trustees expect that the conditions in this agreement will be fulfilled over the course of the next

two years. The unrecognised value of this agreement is £552k (2019: £809k).

The Trustees approved a Grant for Albert Kennedy Trust £40k and £285k for Rise and Shine partners. The Trustees have concluded that not all conditions for recognition of the expenditure have been met and expect these will be met in the next year.

23. Commitments under operating leases

At 31 July 2020, the Group had a total value of minimum future lease payments as follows:

	2020	2019
	£'000	£'000
Payments due		
Land and buildings: within one year	707	639
Land and buildings: between 1 and 5 years	2,111	-
Plant and equipment : within one year	7	13
Plant and equipment : between 1 and 5 years	27	-
	2,852	652

A new lease for our premises was signed in the year for a further four years.

24. Management of liquid resources - Group

	2020	2019
	£'000	£'000
Net increase in current asset investments	(45,543)	(18,599)

25. Analysis of the changes in net funds – Group

	At 1 Aug 2019	Cash Flows	At 31 July 2020
	£'000	£'000	£'000
Cash at bank and in hand	4,940	109,891	114,831
Current asset investments	45,543	(45,543)	-
Total	50,483	64,348	114,831

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 the co-founder of Charity Projects and was a Trustee until November 2019; Richard is Vice President of the Board of Comic Relief Inc. Kevin Cahill is Honorary Life President of Charity Projects and a Board Member of Comic Relief Inc. The remaining nine Trustees of Comic Relief Inc. are independent of Charity Projects.

In May 2020, the sixth Red Nose Day USA was produced by Comic Relief Inc. in partnership with NBC Universal under licence from Charity Projects. A licence fee of £50k (2019: £50k) was charged by Comic Relief Ltd. Charity Projects also paid £2k (2019: nil) to Comic Relief Inc. in the year for production costs, and Comic Relief Inc. paid Comic Relief Ltd £16k for production costs.

Other related parties.

During the year, Comic Relief Limited charged £0.6m (2019: £1.4m) to Charity Projects as a licence fee for the use of the Comic Relief brand.

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 2020 the fee was £0.8m (2019: £1.6m).

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 2020 this was £3.7m (2019: £10.9m).

At 31 July 2020 Comic Relief Limited owed £9.0m (2019: £8.1m) to Charity Projects.

During the year Trustees and key management personnel made personal donations totalling £2k (2019: £3k).

26. Related parties (continued)

A number of related party transactions were undertaken in the year during the normal course of business which were subject to our normal rigorous procedures. Tim Davie, our Chair during the year, was the Chief Executive Officer of BBC Studios, the company which produces the Night Of TV. A payment of £10k (£4k 2018/19) was made by Comic Relief to BBC Studios for production. During 2019/20 donations and reimbursed expenditure of £113k (2019: £82k) were due from BBC to Charity Projects, with £48k (2019: nil) owed from BBC to Charity Projects as at 31 July 2020. During 2019/20 Comic Relief Ltd charged co-production fees of £154k (2019: £449k) to BBC, with £181k (2019: £551k) outstanding as at 31 July 2020. Tim stepped down in July 2020 in advance of taking on the role of Director-General of the BBC.

Tristia Harrison, one of our Trustees during the year, is now Chair of Trustees at Crisis. During 2019/20 grants of £500k were awarded to Crisis. Tristia was not part of the grant making decision process in relation to this funding and stepped down as a Trustee of Charity Projects in July 2020 in order to take on the role of Chair of Trustees at Crisis.

Alex Reid, Trustee and CEO during the year, has a family member working at the Sumerian Foundation. During 2019/20, £200k was paid of a £400k commitment made in 2018/19. Alex was not part of the grant making decision process in relation to this funding and was not CEO at the time of the grant making decision.

Catherine Cottrell, a member of the Executive Team during the year, is a Committee Member at the Institute of Fundraising and at the Fundraising Regulator. During 2019/20 payments of £12k were made to the Institute of Fundraising for organisational membership and conference fees and a payment of £8k was made to the Fundraising Regulator for a levy fee.

Tom Shropshire, one of our Trustees, is a Partner at Linklaters LLP. During 2019/20 payments of £480 were made to Linklaters LLP and gifts in kind at a value to Comic Relief of £25k received.

Colin Howes, who was one of our Trustees until November 2019, is a Partner at Harbottle & Lewis. During 2019/20 payments of £30k for legal services were made to Harbottle & Lewis.

Matt Hyde, one of our Trustees, was also a Trustee during the year at Step up to Serve. During 2019/20, £23k was paid of a £75k commitment made in 2017/18. Matt Hyde was appointed as a Trustee on 27 February 2019 and therefore was not a Trustee of Charity Projects when this funding was committed.

Jenny Hodgson, one of our Trustees, is an Executive Director at Global Fund for Community Foundations. During 2019/20, payments of £2k were made for conference fees.

COMIC RELIEF

89 Albert Embankment
London SE1 7TP

Tel: 020 7820 2000 Fax: 020 7820 2222

Email: info@comicrelief.com Web: comicrelief.com

Comic Relief is the operating name of Charity Projects, a registered charity.
326568 (England and Wales) SC039730 (Scotland).

The logo consists of the words "COMIC" and "RELIEF" stacked vertically in a bold, white, sans-serif font, centered within a red square background.

**COMIC
RELIEF**