

Comic Relief

**COMIC
RELIEF**

**Annual Report
& Accounts
2015**

Overview

The highlights of 2014/15 included:

- 1** Red Nose Day raised **£99.4 million**
- 2** We made over **£100 million** worth of grants
- 3** The first ever Red Nose Day USA was held in March 2015 and raised **\$23.9 million** for our sister organisation Comic Relief, Inc.
- 4** We proudly became a **Living Wage employer** and a Living Wage-friendly funder through our grant making
- 5** The **New Fund** began to make awards to creative initiatives which supported the 2015 Sustainable Development Goals

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CEO's Review



Kevin Cahill CBE
Chief Executive,
Comic Relief

I write this introduction knowing it will probably be the last one before I step down after 26 glorious years at Comic Relief, 19 of them as CEO. The charity has now raised over £1 billion with the unstinting support of the British public and a huge network of committed friends and associates. That money has been hard at work helping to improve the lives of people at home and across the poorest communities of the world. I have been proud to be part of that herculean effort and feel blessed to be leaving Comic Relief in robust shape, with a world of opportunity still to explore.

One theme of the year has been reshaping the organisation to be in the best position to take advantage of those opportunities and reflect the changing external environment. We have worked hard this year to deliver efficiencies whilst not compromising our creativity or ambition. I am confident that we are now better skilled and structured to face the future.

We closed the books on Red Nose Day having raised £99.4 million. It represents another successful year and demonstrated to us that the British public are still tremendously generous. There are some trends that we have to take notice of in order to keep our efforts buoyant and relevant in the future. In particular, challenges around audience attitudes to charity, shifts in the digital and media landscape and changes in how people raise money. That said, there were some amazing highs to celebrate, notably 91% brand awareness with 50% of the population saying they supported Red Nose Day, 7.5 million Red Noses sold, and Sam Smith and John Legend releasing 'Lay me Down' for us - going to number 1 in the UK and reaching number 2 in America.

On the social need side it was a year of note both domestically and internationally. At home, cuts to public services saw an increase in the demand for support, and meant many of the great organisations we fund were under increased pressure. The refugee crisis across Europe, Ebola in West Africa and the Nepal Earthquake saw the poorest and most marginalised struggling to survive and meant we had to make special provision to respond.

We successfully helped Comic Relief, Inc. to deliver the first ever Red Nose Day in the USA, in partnership with NBC and Walgreens. It raised \$23.9m and has been recommissioned for 2016. We feel proud of the achievement and take satisfaction that it has been spent through our sister charity in the USA to deliver against our vision of 'A Just World Free From Poverty'.

CEO's Review (continued)

I enter my final year with a heavy heart, over-flowing pride and also a tiny spring in my step. Working with a great bunch of staff, passionate Trustees, generous artists, wonderful partners like the BBC, Sainsbury's, BT, BA and others has always been one of the joys of my job here. It has been the greatest job in the world for which I thank them and the millions of donors who have helped make such a difference. Thank you for this year and for the previous 25.

And, as I close I should note that it was with joy that we saw our very own Lenny Henry become a Sir. It could not have been awarded to a nicer human being.

Chairman's Statement



Tim Davie
Chairman,
Comic Relief

Last year was a landmark year for Comic Relief, as we continued to do what we do best. Meanwhile, we began active preparation for continuing transformation in an ever changing world.

Firstly, a big thank you to everyone who donated or raised money both in the UK and overseas. It was inspiring to see Red Nose Day raise an amazing £99.4 million in the UK, as well as witnessing the launch of Red Nose Day USA. This activity means that we were able to support thousands of projects that are transforming people's lives. Thanks also to all of our brilliant partners including Sainsbury's, BA, BT and the BBC, plus the many institutions, trusts, other bodies and individuals who made it all possible.

This year we passed £1 billion raised since our foundation. It was a major milestone and reflects the immense efforts of our founders and teams. I look back in wonder at the ambition of a handful of inspirational people, who set out to change the world by making us laugh. The improving data on extreme poverty shows what progress has been made, but there is so much more to do as we work towards our vision of a Just World Free From Poverty.

Of course, we cannot rest on our laurels. The Trustees are encouraged by the Comic Relief teams' desire to constantly innovate and re-invent. Changes in the digital world are offering huge opportunities, and possible threats, in terms of how we raise and distribute money. We have begun experimenting with digital content as well as investigating ways of exploiting new technology to assist in grant giving and effectiveness. We will accelerate this work over the coming year.

Chairman's Statement (continued)

The environment that charities operate in has been challenging, and looks set to undergo greater scrutiny in the future. This year Comic Relief has taken time to focus on its governance to make sure that it continues to be fit for purpose, and that the Board are able to fulfil their roles effectively, ensuring that the charity is well run and the money raised is well spent. We want to be an open, transparent organisation that is simple to understand and highly efficient.

On behalf of the Trustees I'd like to thank the Executive and Staff team at Comic Relief for their passion and commitment; the amazing people who work at the organisations we fund who do the hard work on the ground – I've seen it first hand and it's both inspiring and humbling; the generous extended family of Comic Relief, including the artists that give their time and their talent.

Finally, our CEO Kevin Cahill, has announced that after 19 years in the role and 26 years at the charity, he will be stepping down. Kevin's creativity, integrity, professionalism and energy are legendary, and he has been the driving force behind so much of our work. He will leave a brilliant legacy, and the Trustees and I will miss him enormously.

I look forward to another exciting year ahead and thank you again to every single member of the public who wore a Red Nose, did something funny for money or donated to the charity.



Lenny Henry
announcing
the billion
pound total
on Red Nose
Day 2015

“Thank you to everyone that has given over the years. To the red nose wearers, the multiple texters, the mile runners, the bakers, the selfie makers, the baked bean bathers, the project workers, the writers, the comedians, the

programme makers, the kissers, the record breakers, the streakers, the naked milers, the stonkers, the strictly come dancers, the car washers, the fancy dressers, the swimmers, the cyclers, the rowers, the sponsored silencers, the wig wearers, the pub quizzers, the non uniformers, the jumble salers, the custard pie-ers, the backward walkers, the walk to workers, the inside-out clothes wearers, the treadmillers, the face painters, the sponsored waxers, the gungers, the sweepstakers, the three legged racers, the world changers, to all of you – **THANKS A BILLION.**”

What is Comic Relief?

Comic Relief was launched live on Christmas Day in 1985, via satellite from a refugee camp in Sudan. A famine was devastating neighbouring Ethiopia and people had fled in their thousands over the border to seek refuge.

The premise from the start was that the comedy community could come together to make a long-term difference, by raising a laugh and raising money at the same time. Today, we do this through our two major fundraising events, Red Nose Day and Sport Relief.

Our vision: A Just World Free From Poverty

The official name of Comic Relief is Charity Projects. The principal objectives of Comic Relief are to achieve public benefit by raising funds, to use those funds in the form of grants and social investments for specific charitable purposes, and to use our brand to raise awareness of issues around poverty and social justice. These grants aim to deliver real and lasting change to poor and vulnerable people in the UK and internationally, particularly in Africa. In determining our grant making strategies, and the general administration of the charity, the Trustees pay due regard to the guidance of the Charity Commission. Comic Relief seeks to spend its money effectively and professionally.

Our mission: Positive change through the power of entertainment

The money is allocated through a series of grant making cycles over a two-year period. We make lots of different types of grants: big and strategic; small and perfectly formed; proactive and reactive. Our reactive grant making means that any charity that thinks it is eligible has the chance to apply for funding. Comic Relief has rigorous checking systems in place to make sure it only funds applications that will make a big difference in the UK and some of the world's poorest communities.

While Comic Relief is working to allocate and pay out this money, the funds are invested to achieve maximum return while being sensitive to our charitable vision and mission. The return on these investments goes towards paying the costs of Comic Relief's fundraising campaigns and other running costs.

FACTS & STATS

All of the money raised during one Red Nose Day campaign is allocated by Comic Relief to charities and social change organisations before the next Red Nose Day two years later. The same approach is used for Sport Relief.

Comic Relief is committed to ensuring that every pound the charity gets directly from the public is a pound that goes towards helping transform the lives of people dealing with poverty and social injustice (**The Comic Relief Commitment**). This includes the cost of making sure that our grants are allocated to effective organisations and are properly monitored and evaluated.

While the economic environment remains challenging, we are fortunate to be in a position where all other Comic Relief costs relating to fundraising and organisational overheads, continue to be covered in cash or in kind by supporters such as corporate sponsors and donors, suppliers, generous individuals and government (including Gift Aid) as well as from investment income and interest.

For more details of how we run ourselves, please see the Financial Review section on page 26.

An analysis of the grants by programme area is shown in note 7 of the Financial Statements.



Our objectives and priorities

Comic Relief has three main objectives, to help deliver its mission and vision.

One: to continue to deliver popular fundraising campaigns to raise money, which can also demonstrate broad public support for the fight against poverty and social injustice at home and across the world.

Two: to be an effective grant maker and work with others to create real and lasting change for poor and vulnerable people in the UK and internationally.

Three: to raise awareness of issues around poverty and social justice, and to promote understanding of the changes needed to help the poorest and most vulnerable people.

Key Priorities 2014/15

As outlined in last year's Trustees' Report, Trustees set the following priorities for 2014/15.

- 1 Red Nose Day 2015** – Create a big, funny, refreshed Red Nose Day, and measure success through a combination of income levels, participation figures, creative excellence and public appreciation.
- 2 Sport Relief 2016** – Plan for Sport Relief 2016 and continue to grow the event, based on the analysis of data from Sport Relief 2014.
- 3 Digital and technology** – Maximise the potential of the digital world, working where possible alongside the BBC's digital agenda.
- 4 Red Nose Day USA** – Deliver a successful Red Nose Day USA campaign in 2015, which raises money to help realise 'A Just World Free From Poverty'.
- 5 Grant making** – Make grants that deliver to our grants strategy and in line with funding partnerships. Particular focus on education, health, jobs, and enterprise internationally and social action in disadvantaged communities and enhanced life opportunities for young people in the UK.
- 6 Activate the New Fund** (formerly known as the Comic Relief Foundation) which aims to support new and innovative ways for people and start-ups to tackle the relief of poverty and social injustice in the UK and internationally.
- 7 Inside Comic Relief** – Continue to review how Comic Relief is run, and constantly evolve to minimise costs and increase efficiency and effectiveness across the organisation.

We have detailed how we performed against each of these priorities, in the Operating Review.

Operating Review

1

Red Nose Day 2015

Create a big, funny, refreshed Red Nose Day, and measure success through a combination of income levels, participation figures, creative excellence and public appreciation.



For the first time, we had a range of nine different characters for the noses. Thanks to the appealing designs we sold over 7.5 million, the most ever and a 20% increase on 2013.

Red Nose Day 2015 generated many highlights and some challenges, with a final campaign total of £99.4 million when we closed our books on 31st July 2015.

Broadcast highlights from the campaign included the Great Comic Relief Bake Off, which saw the late great Victoria Wood beating contestants including Alexa Chung, Chris Moyles, Gok Wan and Jennifer Saunders, to win the coveted title.

Operation Health was a new format, which showed a dilapidated clinic in eastern Uganda being transformed into a fully functioning medical facility. The progress was broadcast in real time through updates on the One Show and Radio One, a documentary on BBC One, as well as through our social and digital channels.

The final total on the Night of TV was £78,082,988. This pushed the overall sum raised by Comic Relief over the past 30 years to more than £1 billion, which Sir Lenny Henry announced on the night.

Although overall income levels experienced a slight drop from 2013 figures, lower public fundraising figures were balanced by very positive institutional and corporate partnerships.

Income from corporate partnerships increased, thanks to our long-term strategic partnerships with Sainsbury's, TK Maxx, BT and BA. We had returning official partners including Maltesers and Ryman / Robert Dyas: and we also developed new partnerships which included Unilever, Toyota, Rimmel, Weetabix, Specsavers and Barclays.

Funding from institutional partners increased by 13% to £24.4 million. As part of this figure, the Department for International Development (DfID) match-funded £10 million of schools' and parents' fundraising to help get 300,000 disadvantaged African children into school. The Bill & Melinda Gates Foundation gave £5 million to help support the work of GAVI and The Global Fund to immunise children and help fight malaria, HIV, TB and AIDS. The Queen Elizabeth Diamond Jubilee Trust contributed £4 million for work with The Queen's Young Leaders, supporting young people across the Commonwealth to develop social change projects, gain new skills and have a voice in decisions affecting their future. And the Big Lottery Fund contributed £5 million to improve the health of mothers, babies and children and the lives of people living in urban slums in Africa.

FACTS & STATS

Dermot's Day of Dance was a standout event, as Dermot O'Leary challenged himself to dance for 24 hours, raising over £1 million. Throughout the day, Dermot was joined by friends including Caroline Flack, Jamie Oliver and Sam Smith.

Participation in the campaign increased, with 50% of the British public in independent post-campaign research saying that they had supported Red Nose Day, an increase of 4% on Red Nose Day 2013. ('Supported' is defined as someone that has watched the TV show, bought a nose or item of merchandise, fundraised or donated). The public seemed to enjoy the campaign, with 94% of those who supported Red Nose Day saying that they would support Red Nose Day again.

Appreciation of Red Nose Day also increased, with the number of people finding it 'funny' increasing by 7% against 2013. Attributes such as 'fun', 'energetic', 'engaging' and 'current' also increased their scores. BBC TV output also delivered strongly against audience appreciation measures. In particular, Operation Health and Stop Cutting Our Girls, a BBC Three documentary about female genital mutilation, performed well with viewers.



2

Sport Relief 2016

Plan for Sport Relief 2016 and continue to grow the event, based on the analysis of data from Sport Relief 2014.

Sport Relief 2014 was our most successful yet, and planning is well underway to make sure Sport Relief 2016 builds on this. We have used the data from Sport Relief 2014 to see which events and formats worked best, and what our supporters enjoyed the most, in order to tailor our plans.

The Sainsbury's Sport Relief Games will evolve: we will keep the mile, swim and cycle, but will introduce a walk as well as a run. The flagship games will again be held at Queen Elizabeth Olympic Park with five regional games being held in Belfast, Cardiff, Glasgow, Sheffield and Norwich.

We want to encourage people to do something that they can be proud of, so 'Make yourself proud' will be the key theme of the campaign.

The BBC is also seeking to build on the success of Sport Relief 2014 with a wide range of programming and another celebrity sporting competition at Queen Elizabeth Olympic Park. Other programmes will include the Great Sport Relief Bake Off on BBC One and Let's Play Darts for Sport Relief on BBC Two.





Digital and technology

Maximise the potential of the digital world, working where possible alongside the BBC's digital agenda.

FACTS & STATS

The BBC's Red Button gave us the opportunity to broadcast the whole of Dermot's 24 hour Day of Dance, turning it into a 'living news event' for viewers.

This year our commitment to put digital at the centre of everything we do focussed on our in-house systems. We have delivered an improved intranet to drive efficiency and have completed the Grants Management Systems project. Now all grant applications are submitted and processed digitally via GEM (our Grants Evaluation Management system). This means that grant management tasks can be undertaken anywhere in the world, improving connectedness and making us more productive.

Our Data Team has new members, processes and tools to help us better understand our supporters. We will use these insights to better engage them and be able to tailor content to their needs.

During Red Nose Day 2015, we looked at ways we could maximise our broadcast impact through the use of digital channels, including digital TV channels, social media and channels such as YouTube. In response to the changing ways that people are now consuming content, our programming was made available across more platforms than ever before, and there were closer links between TV, radio and digital output across the BBC and elsewhere. Some events were live streamed on Red Button and YouTube and social media stars were engaged in the campaign to fundraise through their own channels.

We have been developing a new approach towards digital partnerships, reaching out to different digital organisations in order to unlock mutually beneficial relationships. These will help us to test and trial new formats, new content and new technologies and increase innovation in our campaigns.

4

Red Nose Day USA

Deliver a successful Red Nose Day USA campaign in 2015, which raises money to help realise 'A Just World Free From Poverty'.

FACTS & STATS

The Coldplay/Game of Thrones content for Red Nose Day USA has been viewed over 16 million times and #rednose trended number one in the US and around the world on Red Nose Day USA.

In 2014, Comic Relief successfully acquired the US 'Comic Relief' trademarks. Comic Relief licenced the trademarks to Comic Relief Inc., formerly known as America Gives Back Inc. Comic Relief and Comic Relief Inc. are separate 'sister' organisations, but they are both working towards a shared vision of 'A Just World Free From Poverty' and have a shared mission of 'Positive change through the power of entertainment'.

Red Nose Day USA is produced under license from Charity Projects and under the terms of this license, Charity Projects has provided know how and advice to help establish the Red Nose Day and Comic Relief brands in America (details of the relationship are given in Note 25 of the accounts).

This year, Comic Relief Inc. worked in partnership with NBC Universal to produce the first Red Nose Day USA TV special. The three hour show aired on 21st May 2015, and was watched by 3.2 million people.

Stand out moments included Coldplay producing a spoof musical with the cast of Game of Thrones; and a host of A-list artists including Jennifer Aniston, Emily Blunt, P Diddy, Zac Efron, Matt LeBlanc, Seth Meyers and Reese Witherspoon appearing in a 'celebrity phone tree' sketch.

The campaign raised \$23.9 million (£14.9 million), through public donations, merchandise sales, corporate partners and institutional funding. There was strong corporate engagement – Walgreens raised over \$8.7 million (£5.4 million) from nose sales, vendor partners, employee fundraising and donations from customers, and Mars and M&Ms got behind Red Nose Day with their #MakeMLaugh social media campaign. The Bill & Melinda Gates Foundation showed their support with a \$5 million (£3.1 million) donation, and personal support from Bill & Melinda Gates via a sketch for the show and social media activity.

By January 2016, the money raised had already been allocated to Red Nose Day USA's charity partners, who will use it to help lift children and young people out of poverty both domestically in the USA, and across the world.

We were delighted to see the public support for a new brand in the USA, along with such positive corporate engagement. And we are delighted that Red Nose Day USA has been recommissioned and will return in May 2016, to build on the success of 2015.

To find out more about Red Nose Day USA visit rednoseday.org

5

Grant making

Make grants that deliver to our grant strategy and in line with funding partnerships. Particular focus on education, health, jobs, and enterprise internationally and social action in disadvantaged communities and enhanced life opportunities for young people in the UK.

The 2014/15 period saw a total of £103.2m being allocated over the year.

The £103.2 million was made up of £58.7 million of international and £44.5 million of UK grants.

We are as serious about spending the money as we are about raising it. Making grants to projects that we know are going to make a real difference in people's lives, and monitoring them to make sure they're delivering, is a challenging task. We received and assessed over 2,000 applications and proposals for funding in 2014/15 and approved 281 new UK and 112 new international grants. UK Community Foundations also assessed thousands of proposals from smaller local organisations, awarding over 1,400 small grants (under £10,000) on our behalf.

1. Organisations submit their initial proposals for a grant, and we have lots of guidance online to help them. We shortlist the strongest ones.



2. The shortlisted applicants submit a more detailed second stage proposal, which we assess.

6. After the grant has started, we monitor, evaluate and learn from it which helps us and others improve.

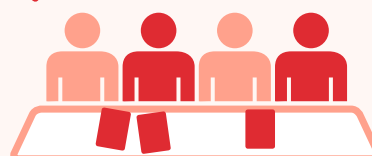


Grant Making Overview



3. We meet many of the shortlisted applicants, to discuss their proposal, plans and budget in more detail.

5. We let the organisations know whether they have been successful. If they have, the grant will begin.



4. Members of our Trustee Board and independent sector specialists review the recommended proposals for final approval or (sadly) rejection.

Comic Relief's grants strategy works towards A Just World Free From Poverty; so do the thousands of charities we support through our grants, for work in the UK and in some of the world's poorest communities.

In addition to making new grants, we also managed over 1,000 existing grant relationships and made 1,749 payments in 2014/15 totalling £83.6 million.

Our UK and international grants are made under five big themes:



**BETTER
FUTURES**

Improving the lives of vulnerable young people in the UK, and enabling some of the world's poorest people to gain access to services such as health and education.



**HEALTHIER
FINANCES**

Tackling financial poverty and enabling economic resilience in families and communities, as well as supporting enterprise and employment.



SAFER LIVES

Reducing violence, abuse and exploitation.



**STRONGER
COMMUNITIES**

Empowering people, organisations and networks to play an effective role in their communities and society, as well as nurturing talent and leadership.

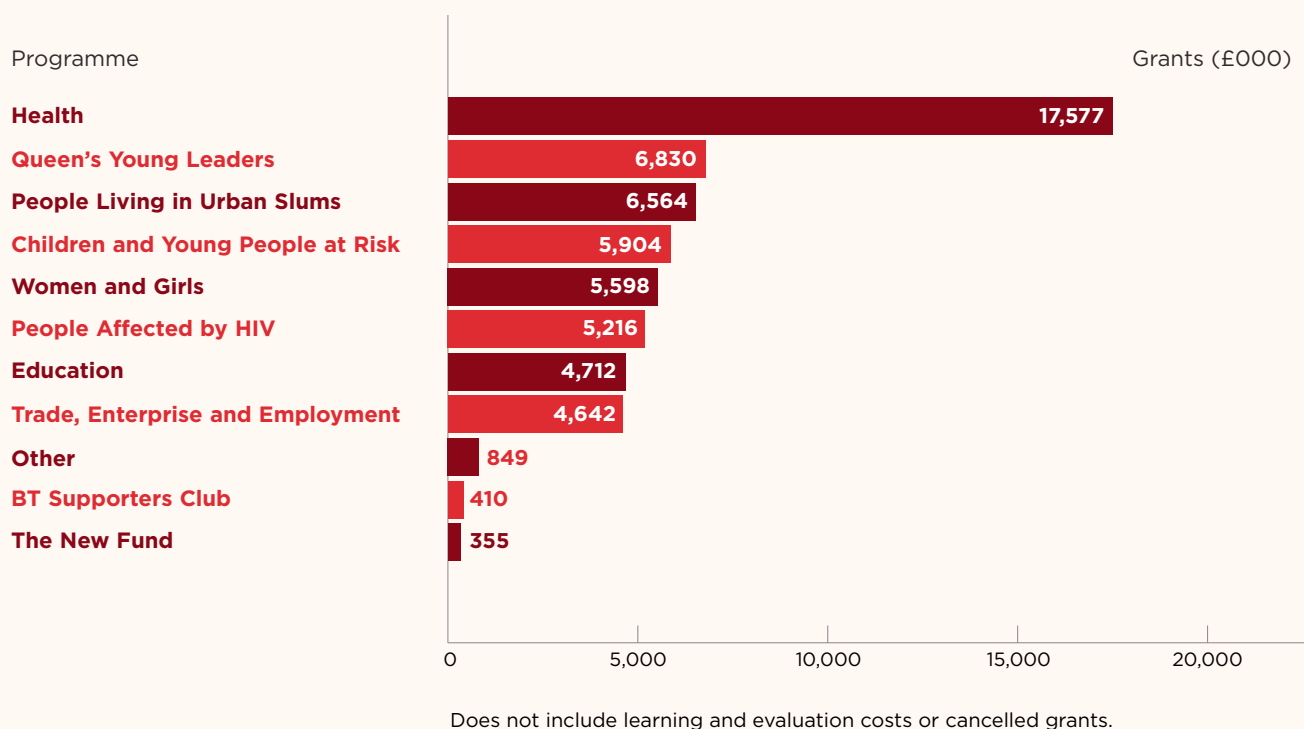


**FAIRER
SOCIETY**

Helping people overcome inequality and have a say in decisions that affect their lives.

International Grants overview

During 2014/15 we allocated £58.7 million internationally.



In the year 2014-15:

Over **2 million** people, including **550,000** children under five, got access to vital health care

Over **147,000** people were supported to grow their incomes or savings

Over **90,000** people got better toilets and sanitation

Over **64,000** people got clean drinking water

Over **189,000** children were supported to be in school and learning

Over **34,000** women were supported to influence decisions affecting their lives

Over **45,000** workers reported improved working conditions

CASE STUDY



Samuel was a driven and intelligent young man.

But growing up in one of Nairobi's poorest slums and learning in overcrowded classrooms hindered his dream to better himself.

At the age of 11 he joined Comic Relief funded project MYSA, which gives young people skills, confidence and structure to their lives.

Samuel's hard work landed him a place at Nairobi University to study economics and he now also mentors other young people.

Highlights from our international grant funding

MYSA (Mathare Youth Sports Association), working with **Laureus Sport for Good Foundation**, is using sport as a way to bring social change to the slums of Mathare in Nairobi, Kenya. This Comic Relief funded project has so far engaged over 23,000 children through sports, slum and environmental clean ups, HIV prevention programmes, leadership training and other community service activities.

Comic Relief has been supporting **USIKO** in South Africa, through the **Gaia Foundation**, for more than 15 years. Their pioneering approach to working with children in conflict with the law is enabling children to return to their communities and change their lives, instead of going to jail. This year USIKO worked with 143 young people and reduced their reoffending rate to zero.

Funding partnerships

We work in partnership with a number of UK and international organisations to jointly fund projects where we feel we can help each other and have the greatest impact.

The Queen's Young Leaders is a programme established by the Queen Elizabeth Diamond Jubilee Trust, in partnership with Comic Relief and The Royal Commonwealth Society. It aims to discover, celebrate and support exceptional young people from across the Commonwealth, through awards and grants.

By July 2015, the Queen's Young Leaders programme had made grants in the UK, Zambia, Bangladesh, Jamaica and the Solomon Islands. Projects are all led by or focussed on young people and they provide opportunities for them to learn new skills, enter employment or enterprise or have a say in decisions affecting their future.

The Big Lottery Fund and Comic Relief announced a £5.5 million partnership for Red Nose Day 2015. This initiative will improve the lives of communities in urban slums in Africa, and help to bring about a range of community health improvements, focussing on women, babies and young children.



The Common Ground Initiative, co-funded by DfID and Comic Relief, entered its second phase in 2014. It is committed to assisting small and diaspora organisations through grants and supporting innovative ways for the UK-based African diaspora to invest in African social businesses, and in partnerships between diaspora and African civil society to improve women's rights.

The BT Supporters Club, BT Sport's charitable initiative, run in partnership with Comic Relief since 2013, raised £1.7 million. This money was spent on projects in the UK and overseas that use sport as a tool for social change. The Supporters Club has funded 11 projects in the UK and four overseas. More than 90,000 BT customers have signed up to give every month and regular short films and documentaries are aired on BT Sport, demonstrating the work of the projects that The Supporters Club funds.

The Bill & Melinda Gates Foundation and Comic Relief are delighted to continue their partnership to help improve health in some of the poorest parts of world.

Together we support amazing organisations like The Global Fund fighting malaria and improving health and GAVI, which will help vaccinate even more children against killer diseases like diphtheria, tetanus and strands of pneumonia. Both will protect kids and help to keep them alive.

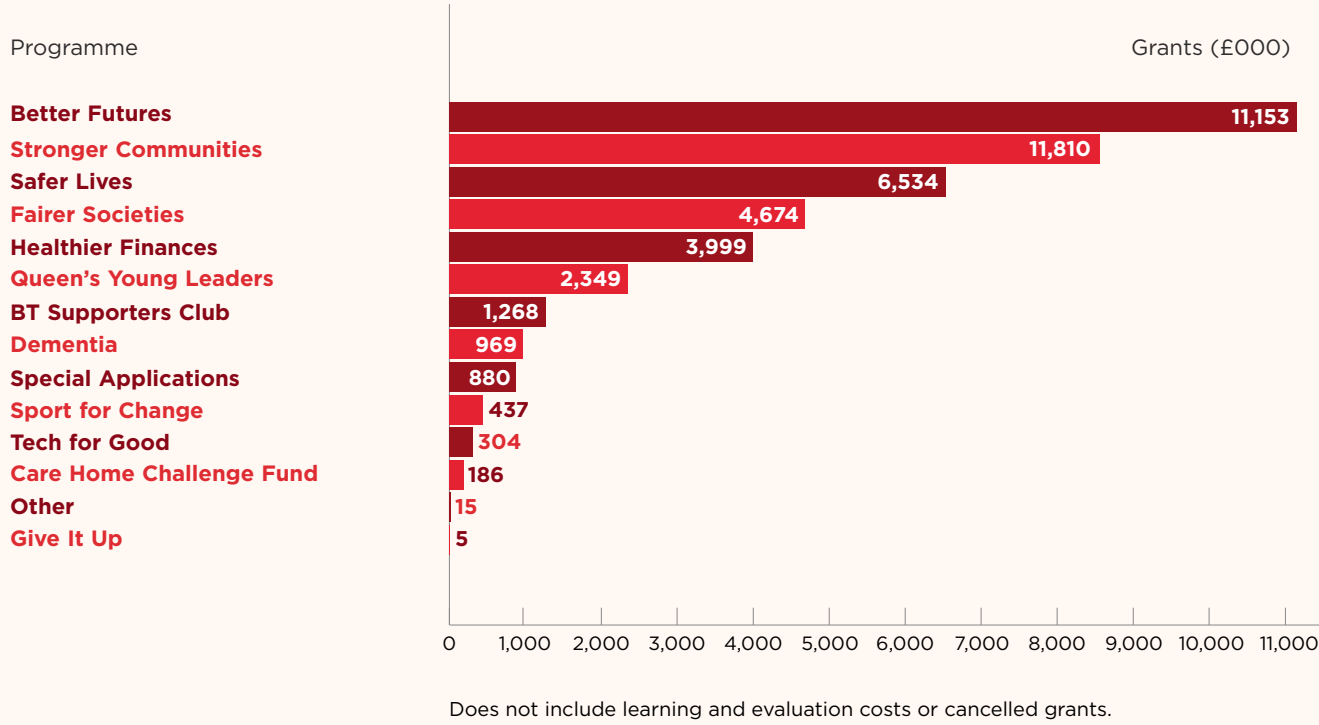
Kuapa Kokoo

In 2009, Comic Relief made a US \$5 million social investment loan to Kuapa Kokoo, a fair trade cocoa cooperative in Ghana dedicated to helping improve the lives of cocoa farmers, their families and communities in one of the poorest regions of the world. Since the loan was made, the number of farmers who are part of the cooperative has doubled to over 90,000, enabling more families to benefit from its support. Some currency fluctuation was anticipated during the period of the loan but the Ghanaian Cedi (GHS) devalued so significantly between 2009 and 2014 that the scheduled US Dollar repayments became unaffordable and threatened Kuapa's continued survival. To avoid the loan terms placing unsustainable pressure on both Kuapa and the local farmers it supports, Comic Relief's Trustees agreed to provide £1.67 million debt relief on this social investment loan. This relief is offset by £0.9 million in interest that Comic Relief will receive over the life of the loan, reducing the overall cost to £0.8 million. (See note 16 for further details.)



UK Grants overview

During 2014/15 we allocated £44.5 million in the UK.



In the year 2014-15:

29,500 young people have been helped to raise their aspirations and future prospects for education and employment

30,000 people are safer from trafficking, sexual abuse and exploitation or domestic violence

16,500 people have been helped to improve their mental health and wellbeing

Over **15,500** older people have been empowered to make the best use of their skills and resources whether to manage their money or to have a voice in local decision making

Over **1,400** small grants were made to help build stronger communities through the UK Community Fund, because we believe you don't always have to give large sums to make a difference

CASE STUDY



Jo was diagnosed with early-onset Alzheimer's and spatial Alzheimer's in August 2012 after she started to forget names and struggled with tasks like hanging out the washing.

She and her husband Don are being supported by Innovations in Dementia, a Comic Relief funded project which supports people to connect with each other and use their experiences to shape policy, practice and attitudes.

Jo said: 'I love it, it gives me a sense of purpose.

I get such a buzz talking to people.'

Highlights from our UK grant funding

Enhanced life opportunities for young people in the UK

This joint initiative with the Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry focussed on supporting families affected by parental substance and alcohol abuse.

Families taking part reported improved family relationships and daily living; the adults feeling that they were coping better as parents and young people reporting increased confidence, which helps them to do better at school.

Social action in disadvantaged communities

In 2015 we partnered with Spirit of 2012 and UnLtd to create 'Do it for Real'. Harnessing the energy and creativity of the London 2012 Games, Do it for Real is a four-step programme aiming to inspire and support young people to bring about positive benefits for their peers and communities. As well as being seen to play a positive role in their community, the work is intended to raise young people's aspirations and ensure they have the skills to take up future employment.

Dementia Diaries

With the support of Comic Relief, members of the Dementia Engagement and Empowerment Project took to Twitter during Red Nose Day 2015 to share their personal experiences of living with dementia. Providing a different perspective to the common assumptions about the abilities and wishes of people with dementia, the day generated comment and debate and allowed people to have their voices heard.

Living Wage

Comic Relief signed up this year to be a Living Wage Friendly Funder in the UK. We now encourage all our UK grants applicants to use the Living Wage in their applications.



Humanitarian response

This year was characterised by a number of high profile humanitarian crises. Although humanitarian work is not our 'core business', there have been some human emergencies that have been too shocking for us to ignore. So over the year Comic Relief joined others to respond quickly and flexibly.

Ebola

In October 2014, Comic Relief pledged £1 million to assist the Ebola response in Liberia and Sierra Leone. £500,000 was awarded to Médecins Sans Frontières, and the remainder to support existing partner organisations with community efforts to prevent further spread of the disease and to support families already coping with illness and death. We kept in regular contact with the organisations and offered significant grant flexibility to enable them to respond quickly to the crisis as the situation changed.

Nepal earthquake

Following the devastating earthquake in Nepal in April 2015, we made a grant of £250,000 to the Disasters Emergency Committee (DEC) to support immediate life-saving response and longer term reconstruction and rehabilitation. By July 2015, we had made five other grants totalling £170,000 to organisations providing relief in communities around Kathmandu most immediately affected.

Refugee crisis

Around the end of the financial year, we were shocked and moved by the stories of people fleeing the crisis in Syria and other countries. In September 2015 (after the end of our financial year) our UK and international grant committees discussed how to respond to this refugee crisis. Both recommended a donation to help with immediate needs in the UK, in the refugee camps neighbouring Syria, and in Europe. Grants totalling over £800,000 were made to fund projects within and outside the UK.

6

Activate the New Fund (formerly known as the Comic Relief Foundation)

which aims to support new and innovative ways for people and start-ups to tackle the relief of poverty and social injustice in the UK and internationally.

The New Fund aims to support new and innovative ways to tackle the relief of poverty and social injustice in the UK and internationally. It was set up to create, catalyse and pilot new ideas that could create breakthrough change.

During 2014/15 we have been developing the New Fund strategy and governance framework, while piloting our planned approach. A number of proposals have been considered during the year, with three awards being made, totalling £355,360, relating to the launch of the United Nations' Sustainable Development Goals (SDGs). These grants funded work to spread news of the launch of the SDGs worldwide through Save the Children and the Media Trust.

The New Fund also contributed funding for Action 2015, a global coalition of over 1,600 grassroots organisations in more than 140 countries, united to raise awareness of the importance in 2015 of both the SDGs being announced and the COP (Conference of the Parties) climate change talks which took place in Paris in December. The New Fund supported campaign communications and creative development.

The money in the New Fund has been accrued over the years from surplus investment income and Gift Aid, so none of the money is from the direct donations from the public, given in support of either Red Nose Day or Sport Relief.

The New Fund will become fully operational in 2016. We will be proactively seeking proposals from organisations that we feel have bold, creative and innovative approaches that could make a big impact towards our vision of A Just World Free From Poverty.





Inside Comic Relief

Continue to review how Comic Relief is run, and constantly evolve to minimise costs and increase efficiency and effectiveness across the organisation.

To allow us to deliver our six year strategy in the face of a challenging and changing external environment, we initiated a significant internal reorganisation over the last year. We have put digital at our heart and ensured that we are run as efficiently and effectively as possible, to make us fit for the future.

We have streamlined how we work and have identified efficiencies that will deliver long-term savings. We have also created new roles to make us more creative and more able to respond to new opportunities.

Unfortunately, some redundancies have been a necessary part of this process. This has been a first for us and has been hard. We have said goodbye to some valued members of the Comic Relief family, many of whom have gone on to excellent new opportunities. We wish them all well and thank them all for their contribution and their commitment during their time at Comic Relief.

Looking ahead

Our six year strategy runs from 2014 to 2020

The strategy's core aims are:

Aim 1:

Remain pre-eminent as a UK fundraiser and measure success by a combination of income levels, public participation figures, creative excellence and high appreciation.

Aim 2:

Grow Comic Relief's total income by continuing to bring in money outside of the main UK campaigns and by increasing international revenue.

Aim 3:

Deliver an ambitious grants programme aligned with the organisation's strategy, communicate it to key stakeholders and demonstrate the difference made with the money raised.

Aim 4:

Run Comic Relief efficiently and transparently, nurture core partnerships and ensure it is fit for the future.

Aim 5:

Support work that encourages creativity and new approaches to delivering change for the disadvantaged people that Comic Relief exists to support.

We have therefore set the following priorities for 2015/16:

- 1 Sport Relief 2016** – to deliver a successful Sport Relief campaign which raises money, celebrates the efforts of Sport Relief supporters and is measured through creative excellence and strong participation.
- 2 Red Nose Day 2017** – plan for Red Nose Day 2017 to address the challenges we face, with particular focus on evolving the brand, reviewing our approach to the Night of TV, addressing public fundraising among general and youth audiences, and exploring opportunities in digital income streams.
- 3 Grant making** – refresh the grants strategy for 2016 to invest in social change in the UK and internationally in challenging times, build synergy through our funding partnerships and communicate the impact we make as a funder.
- 4 The second Red Nose Day USA** – build on the success of the first Red Nose Day USA with a campaign which will be measured in terms of income, corporate engagement and brand awareness in the US.
- 5 Inside Comic Relief** – bedding down structural change, new pivotal roles and ways of working to ensure we have a sustainable business model, while preserving the unique culture of Comic Relief.
- 6 The New Fund** – continuing to grow and develop the structure of the New Fund, to enable it to make more grants to fulfil its stated aims.

Financial Review

Financial Highlights

- Red Nose Day 2015 raised £99.4 million, only slightly down from the Red Nose Day 2013 total of £100.3 million despite the challenging environment.
- Comic Relief passed the £1 billion mark for total income raised since inception during the Night of TV.
- 393 grants totalling £103.2 million were allocated in the year (2014: 291 grants totalling £81.8 million).

There still 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 therefore reference to the comparative figures for the previous year's operation will not always prove useful and can be misleading.

The results for the year for the group are set out in the consolidated statement of financial activities on page 48. The position of the group at the end of the year is shown in the consolidated balance sheet on page 50. Net current assets of the group at 31 July 2015 were £19 million compared to £31.8 million in 2014. This reflects an increase in grant creditors as a result of the increase in grant making.

Comic Relief's total income of £106.2 million as disclosed in the Statement of Financial Activities was up 26% compared to last financial year but down 7% against the last Red Nose Day year (2013). A comparison of income against 2013 is shown on page 27 to allow like for like comparison.

The Red Nose Day total of £99.4 million (see details on page 9) represents the total raised in support of the Red Nose Day 2015 campaign, including multi-year commitments from institutional donors. This generates timing differences on income recognition which together with the fact that Comic Relief receives other income throughout the year, means that income reported in the accounts (and discussed on page 27) is different to announced campaign totals (addressed in the Operating Review).

	2015	2013
Voluntary income	£000	£000
Fundraising events	65,777	69,165
Grant income	14,491	19,862
Other donations	1,842	1,253
Gift Aid	5,315	5,654
Contributions to operating costs	1,311	455
	88,736	96,389
Activities for generating funds		
Trading	15,038	11,693
Investment income	2,384	6,085
Total incoming resources	106,158	114,167

In addition, Comic Relief supported Comic Relief Inc. to deliver Red Nose Day USA for the first time, which generated **£14.9 million (\$23.9 million)** for the US charity.

The main drivers in the reduction in reported income were timing differences on receipt of funds from fundraising events and grant income (overall campaign income held steady); reduction in investment income (offset by unrealised gains reported in reserves) and an offsetting increase in trading income driven by the 20% increase in nose sales.

Breakdown of income

Income from fundraising events

The majority of Comic Relief's income is raised through our fundraising efforts for the campaign being operated that year. In the financial year 2014/15 we recorded income of £65.8 million from multiple channels, including:

- donations raised on the Night of TV
- broadcasts such as the Bake Off and People's Strictly
- activities such as Dermot's Day of Dance and Operation Health
- active fundraising by the public and in schools
- corporate promotions
- artists such as Peter Kay, who donated the profits from his Phoenix Nights live show

Grant income

We recognised £14.5 million of grant income from various funders under multi-year commitments, including £8.5 million from the Department for International Development and £4 million from the Bill & Melinda Gates Foundation.

Trading income

Our trading activity generated £15.0 million of income through the sale of Red Nose Day merchandise, corporate sponsorship and royalties.

Other income

We received £1.7 million of income from BT Sport's The Supporters Club, £1.3 million of contributions to operating costs (including contributions in kind) and claimed £5.3 million of Gift Aid. The investment portfolio, which is managed to deliver a total return target of 4.5%, generated income of £1.5 million and a total return of £11.3 million after capital gains of £10.3 million (both realised and unrealised) and portfolio management costs of £0.5 million. Cash holdings generated a further £0.9 million of income before costs. Further detail on investment return is given on page 34 and in note 5.

£000s

Investment income

£2,384 (2%)

Contributions to operating costs

£1,311 (1%)

Gift Aid

£5,315 (5%)

Other donations

£1,842 (2%)

Trading income

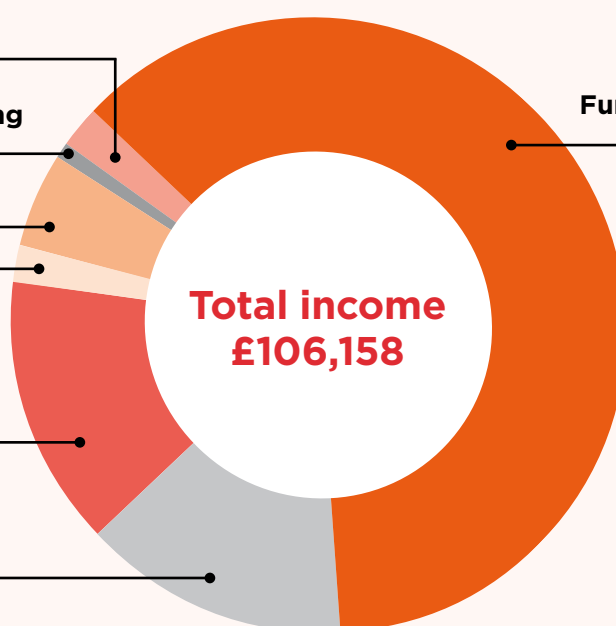
£15,038 (14%)

Grant income

£14,491 (14%)

Fundraising events

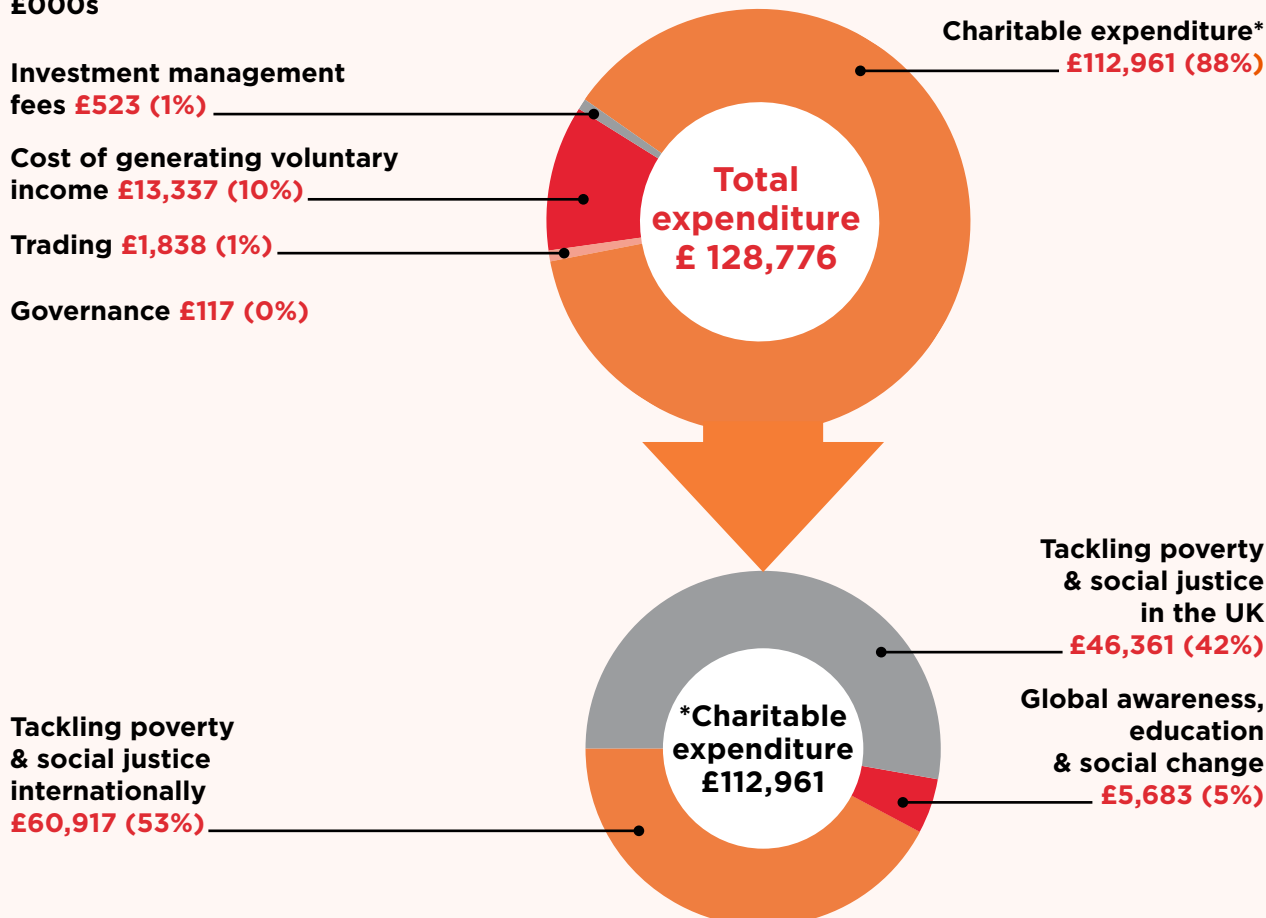
£65,777 (62%)



How the money is spent

Total expenditure in the financial year 2014/15 was £128.8 million which is analysed below, together with an analysis of charitable expenditure.

£000s



While the economic conditions remain challenging, we are in the fortunate position that costs of generating voluntary income, trading costs, governance and investment management costs continue to be covered in cash or in kind from all types of supporters like corporate sponsors and donors, suppliers, generous individuals and government (including Gift Aid) as well as from investment income and interest.

Reserves

The group held reserves amounting to £101.1m as at 31 July 2015 (2014: £113.4m), broken down as follows:

Restricted funds (-£13.9m)

Restricted funds can only be used for purposes as specified by the donor. These funds are in deficit in aggregate because grant costs are recognised in full when the grant is awarded whereas the related incoming resources are recognised only when received from funding partners, which will typically be in stage payments over a number of years. The deficit balance will therefore be covered by future income against the individual funds. Further details are given in note 21.

Unrestricted designated funds (£84.7m)

Grant funds (£71.8m)

This fund represents amounts designated by Trustees for grant making which have not yet been allocated to grantees. Funds are allocated over a two year period following each fundraising campaign.

Fixed assets (£2.6m)

This fund represents the net book value of fixed assets, recognising that such assets cannot be readily liquidated on demand.

New Fund (£9.5m)

As noted above, this fund represents a designation of surplus investment returns and Gift Aid from previous years which is being used to support new and innovative ways to support our mission and vision.

Bill & Melinda Gates Foundation (£0.8m)

In discussion with the Foundation, Trustees have designated this grant towards supporting the establishment of Red Nose Day in the USA.

Other unrestricted funds (£30.2m)

Investment reserve (£13.4m)

This unrestricted fund represents the difference between the historic cost and current market value of the investment portfolio (see the 'Investments' section and note 14c).

General fund (£16.8m)

The remaining balance of unrestricted funds, the General Fund, is monitored regularly by Trustees in accordance with their agreed reserves policy. Income to the General Fund is

Reserves Policy

generated from Gift Aid, investment income, 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 grant making or management.

The Trustees have set the reserves policy as follows:

The target balance on the General Fund across the period covered by the six year strategy is £10 million, equivalent to six months' operating costs and in line with the amount always to be held within the cash portfolio for this eventuality. While the balance, at £17 million, is above the target level, Trustees are satisfied that this is consistent with the long-term policy, given the budgets and planning assumptions for the remaining period of the six year strategy.

In order to set the appropriate level of the General Fund, Trustees have used the potential circumstance where a single year's fundraising campaign has had to be cancelled.

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 time frame without threatening the grant commitments to the charity's beneficiaries if such a situation were to occur.

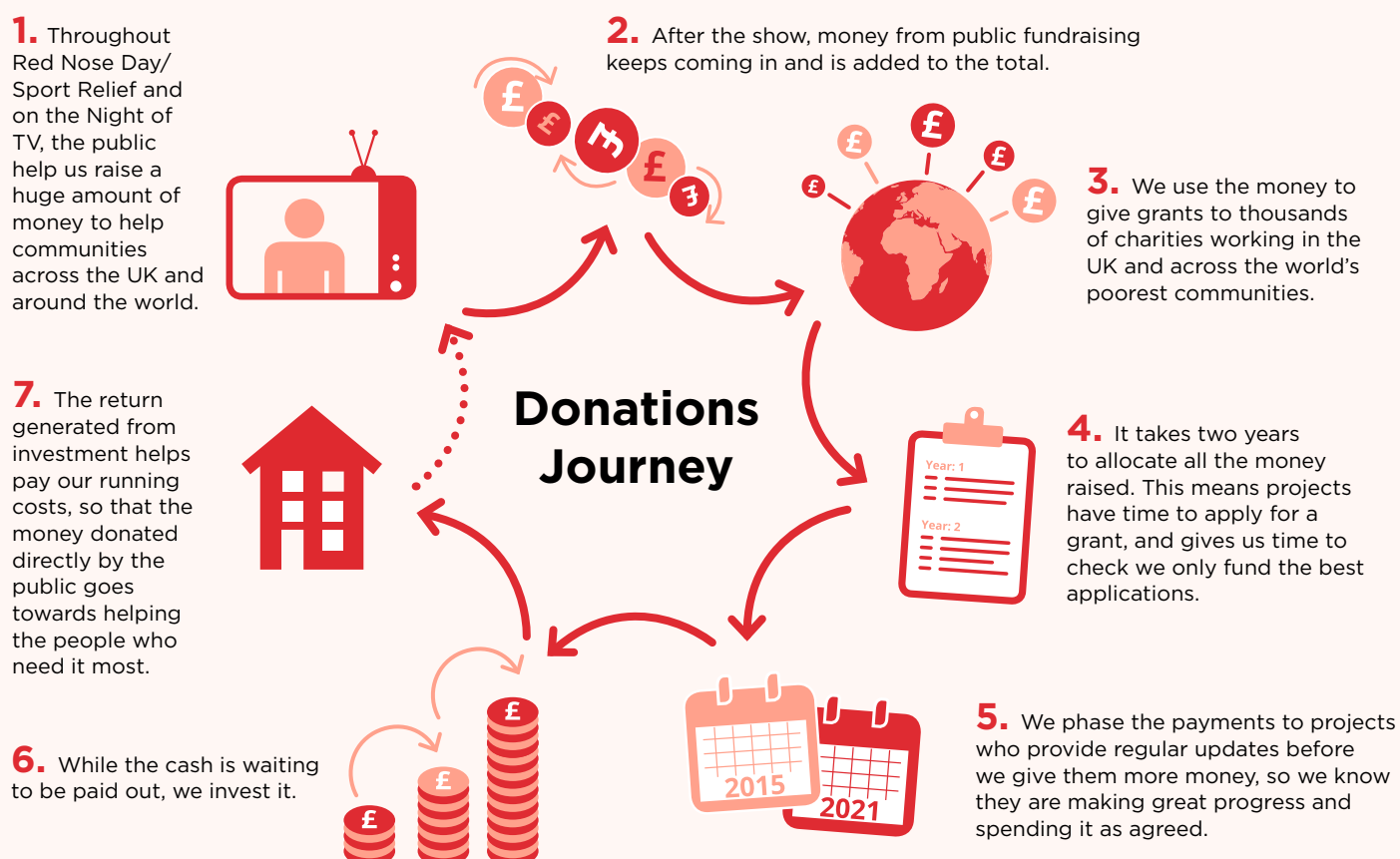
Trustees will review any variance and make any necessary adjustments when planning the next two-year cycle to ensure sufficient reserves are in place in accordance with the policy. When undertaking this review, Trustees, in conjunction with the Investment Committee, also consider the balance on the Investment Reserve, as the investment portfolio is run to deliver a total return of 4.5% as opposed to an income target, and therefore the portfolio can contain both realised and unrealised gains and losses. The timing of when to realise gains or losses in the portfolio is managed so as to balance the need to retain an appropriate level of General Fund against our overall cash requirements.

Investments

Comic Relief is a cash generative organisation. The business model is that the funds raised from a Red Nose Day or Sport Relief campaign will mostly be received during March to July in the relevant year. The funds will then be awarded in grants over the subsequent two years before the next Red Nose Day or Sport Relief campaign with the great majority of the grants being multi-year, often for three years but sometimes for five years or more. These grants are scheduled for payment in instalments over the period of the grant to ensure the money is being spent as agreed and delivering the intended impact.

In addition to the £10 million General Fund requirement, sufficient funds are held in cash or cash equivalents to meet all grant commitments for the next twelve months (this amounted to £82.4 million at 31 July 2015, £72.3 million in 2014). £15 million will always be available within one month and none of the cash holdings will be placed with maturity of more than one year. Beyond the sums to be held in cash there is, therefore, permanent core capital which can prudently be held in longer-term assets to achieve an enhanced level of return.

These returns are an essential contributor to non-grant related overheads, enabling us to maintain the Comic Relief Commitment.



Investment approach

The overall objective of the Investment Policy is to maintain and grow the value of the portfolio while remaining true to our mission and vision. In addition we aim to maximise the return from the portfolio but only within an acceptable level of risk.

Despite our reliance on returns from the investment portfolio to help pay for our overheads, we are mindful that the portfolio represents donations received from the public and as such we have a responsibility to invest in relatively safe areas that minimise the risk of suffering capital losses.

We recognise the importance of investing responsibly and sustainably. Our Investment Policy prohibits investing in companies which manufacture firearms or tobacco products or whose primary business is adult entertainment or the manufacture of alcohol products. The list of sectors to be excluded from the portfolio is reviewed by Trustees twice a year, which this year resulted in adult entertainment being added.

In 2014 we signed up to the UN Principles for Responsible Investment (UNPRI), an international network of over 1,300 investors working towards putting environmental, social and governance issues at the centre of their investing approach.

We are also members of the Charities Responsible Investing Network, supported by ShareAction. Through this network of 19 UK-based charities and foundations, we aim to secure public benefit through the judicious use of shareholder engagement with investee companies, develop and share best practice in responsible investment across the foundation and charity sectors, build skills for responsible investment amongst foundation and charity investors and achieve positive change cost effectively by working collaboratively.

Trustees delegate oversight and management to the Investment Committee for the investment portfolio and the Cash Management Advisory Group (which reports to the Finance and Risk Committee) for the cash portfolio.

The Committee and the Group are made up of financial and sector professionals who donate their time for free. Their expertise covers the range of relevant knowledge and skills to monitor the asset allocation of the portfolios and the performance of individual asset managers on an ongoing basis. They will recommend to Trustees such changes as they may consider appropriate.

Investment performance

During the year, the market value of the portfolio increased from £135.3 million to £144.4 million, an increase of 6.7%. After taking into account dividend income and the costs of managing the portfolio, the total return for the year to 31 July 2015, net of costs, was £11.3 million, or 8.3% (2014: 2.9%).

The Trustees have adopted a nominal total return target of 4.5% after costs, annualised over a rolling five year period. As at 30 September 2015 (based on figures independently calculated by WM Performance Services), total returns over the last few years have been as follows:

Annualised performance over	Actual total return %	Target total return %	Over performance %
1 year	7.4	4.5	2.9
3 years	6.9	4.5	2.4
5 years	7.0	4.5	2.5

In 2013/14, Comic Relief commissioned an independent review of its investment policy. The purpose of the review was to recommend the principles and framework for a new investment policy for Comic Relief and its levels of transparency, which would reinforce and ensure continued public trust in the charity, be consistent with our charitable aims and be in line with charity regulation and law.

More information on the investment review and the new investment policy can be found here <http://www.comicrelief.com/about-us/how-we-operate/our-finances>

Investment performance (continued)

While the investment review was being undertaken last year, most of the portfolio holdings were sold and a new Investment Policy (with associated strategic asset allocation benchmark) was approved by the Trustees in May 2014. This resulted in the portfolio starting the year with 52% (£70 million) invested in cash, which had a material impact on prior year investment returns.

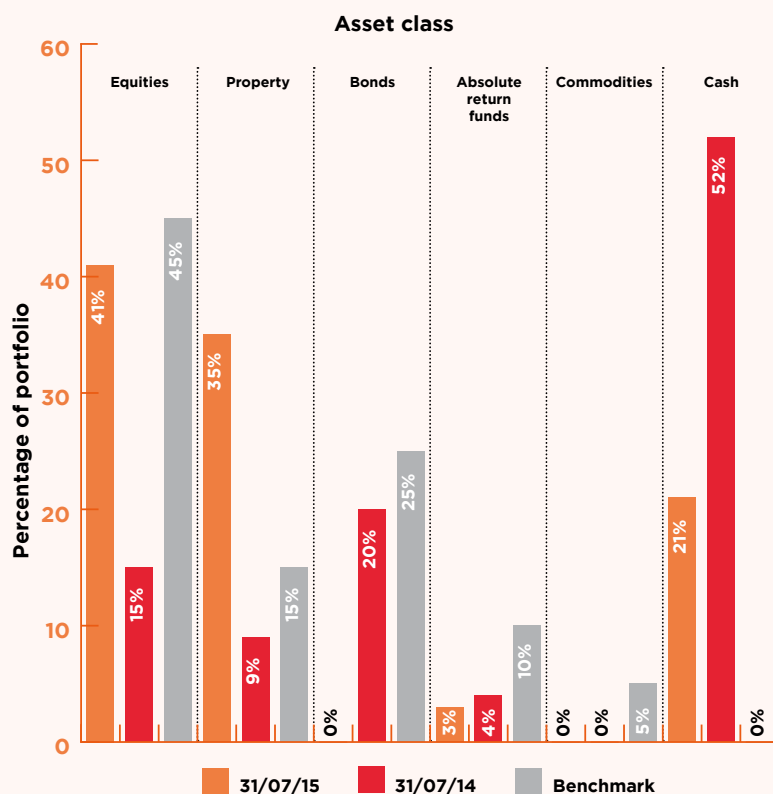
After an exercise to identify fund managers with whom we could invest in line with our new policy, Fundsmith LLP, managed by Terry Smith, were confirmed as our main equities manager. The segregated fund which Fundsmith manages for Comic Relief is invested on a similar basis to their equity retail fund, but with certain differences to allow for our exclusions policy. The Charity Property Fund was also added to the portfolio. Both funds have performed well and contributed to the above target returns.

By May 2015, most of the portfolio cash had been invested, with £58 million under management with Fundsmith and a further £32 million invested in property funds.

In July, on the advice of the Investment Committee, the Trustees took the decision to reduce the portfolio's equity holdings in light of volatile market conditions. This resulted in the sale of Comic Relief's holding in the iShares Dow Jones Sustainability Screened ETF and the portfolio ended the year 21% invested in cash (£30.5 million).

In response to the current economic climate, Trustees have approved a deviation from the benchmark asset allocation in order to have the best chance of delivering the target return within an appropriate level of risk. The result of this is that the portfolio is overweight in property (and equities prior to the sale in July) and underweight in bonds and commodities. This added value, as the fund outperformed the benchmark by 3.3% in the year to 30 September 2015 (as reported by our external advisors). While holding half of the fund in cash during 2014 has pulled down the longer term relative performance, performance over a five year period remains 0.3% above benchmark. The actual asset allocation of the portfolio and the benchmark allocation are presented below.

Investment portfolio by asset class



Risk

Trustees have reviewed the major risks to which Comic Relief is exposed, including risks that effect our operational performance and those which could result in reputational damage leading to the loss of public trust and confidence in the charity.

Our approach to risk management is based upon identifying those risks which are most significant (in terms of likelihood and potential impact), and then agreeing how those risks are best managed and mitigated. We consider all types of risk in this approach, including internal risks (e.g., financial, operational, reputational, governance, compliance) and external risks, many of which are outside our control (e.g., political, environmental, social, technical, legal, economic).

Significant risks are compiled on a corporate risk register which is regularly reviewed by the Senior Management Team, escalated to the Executive Directors at monthly intervals, and to the Finance and Risk Committee of the Board at their meetings five times a year. The Committee, in turn, reports on risk to the full Trustee Board.

Risk (continued)

This approach enables Comic Relief to manage risk to the best of our ability. Our risk management process aims to provide reasonable, but not absolute, assurance that the organisation is protected from all identifiable risks. Comic Relief also has crisis management procedures to ensure we manage unforeseen incidents as effectively as possible. As part of this approach we actively engage with individual Trustees, and other professional experts, with substantial and appropriate reputation management experience, who in turn advise the board of Trustees when necessary.

As a result, the Trustees consider they have established appropriate systems to anticipate the major risks to which the charity might be exposed and to manage those risks as they arise. The Trustees believe that implementation of agreed actions and procedures will reduce the probability and impact of these risks significantly.

The charity's most significant risks during the year, and what we are doing about them, are as follows:

Description of the risk	What we are doing about it
Risk of harm to the people we work with – including staff, supporters, and beneficiaries of our grant making activity	<p>Comprehensive safeguarding policies are in place and communicated to all staff and third parties we work with. A refreshed organisation-wide training and compliance programme is in development.</p> <p>Risk assessments are completed for all overseas trips and consents are obtained from all individuals featured in our films or other materials.</p> <p>We work with the landlord and building manager to ensure health and safety standards are met throughout the office and that the premises are secure.</p>
Risk of the decline of public trust and confidence in charities in general or Comic Relief in particular	<p>Transparency and accountability are central to all our external interactions. We pay close attention to sector guidance and regulatory developments and we welcome questions, challenge and scrutiny.</p>
Risk of our business model not supporting our financial stability for the long term	<p>We continue to review how Comic Relief is run, and constantly evolve to maximise efficiency and effectiveness across the organisation. Investment portfolio now reinvested and performing well to date, with on-going monitoring and review.</p> <p>We continue to monitor the external economic landscape and look for ways to protect and optimise our different income streams.</p>
Risk of the public ceasing to engage with Comic Relief and its major campaigns	<p>The Trustees and staff of Comic Relief are constantly reviewing our campaign plans to ensure that they remain as fresh and relevant as possible and respond to changes in the environment in which they operate.</p> <p>By putting digital at the heart of everything we do and by always innovating, our creative teams work to reimagine our fundraising campaigns to make sure the brand stays relevant and exciting to our supporters, and we achieve cut through in an increasingly competitive marketplace.</p> <p>Comic Relief always seeks active feedback from supporters, fundraisers and members of the public to ensure that key campaign activity and materials is as relevant, engaging and accessible as possible.</p>
Risk of dependency on the support of key business partners	<p>We continually review our relationships with partners and have mechanisms for any issues to be escalated and resolved.</p>
Risk of misappropriation or misuse of the money donated to Comic Relief, directly or by partners who receive grants	<p>Internal control framework is tested regularly by internal and external audit with recommendations for improvement implemented in a timely manner.</p> <p>On-going grant monitoring and review, with dedicated risk and compliance manager working alongside our partners to manage fraud investigations and mitigate loss.</p>
Risk of a data breach	<p>We have strong data protection processes in place and a Data Stewards network has been established to reinforce cross-departmental communication on data protection issues.</p> <p>We do not sell our data to third parties.</p> <p>All staff undertake data protection training.</p>

Going Concern

The Trustees have reviewed the level of reserves and available liquid resources in the context of operating and spending plans over the next 12 months, the 6-year business plan and the organisational risk assessment. The Trustees believe that Comic Relief has sufficient financial resources to continue in operational existence for the foreseeable future and that the group is well placed to manage its operating risks successfully.

The Trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Employment policies and involvement

All of our staff and job applicants are offered equality of opportunity and fair treatment. They will not be discriminated against, either directly or indirectly, on the grounds of nationality or ethnic or national origins; religion; gender; marital status; sexual orientation; disability; age; spent convictions; membership or non-membership of a trade union. There are policies 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.

Staff engagement is very important to us. Comic Relief holds regular employee consultation through its Staff Representation Group, it conducts an annual staff survey to get anonymous feedback from across the organisation, and holds a monthly staff meeting. All employees are invited to the annual staff conference, and are kept up to date on news and events through a weekly email newsletter.

Remuneration at Comic Relief

Responsibility for overseeing our pay policy, setting CEO and Director pay and agreeing on the annual staff pay increase lies with the Remuneration and Nominations Committee, a subgroup of the Board of Trustees, attended by the Chair. They take external benchmarking advice to inform their decisions, to ensure we recruit and retain the best people for the job. Meetings are held at least twice a year and the CEO, COO and Head of People and Organisational Development also attend in an advisory capacity.

It is the intention of Comic Relief to balance the expectations of our supporters and beneficiaries, who trust us to use their money effectively, with the requirement to recruit and retain

Our ratio of top to median pay is 3.5:1 and our ratio of top to lowest pay is 6.7:1.

FACTS & STATS

We are proud to be a Living Wage employer and all of our staff are paid at least £9.40 per hour, in line with guidance from the Campaign for a Living Wage.



the best people for our roles. We know our staff are attracted to working for us because of the opportunity to have a positive impact on the lives of others. We also believe that a key driver for attracting and retaining talent is our commitment to family friendly policies and flexible working practices in order to help staff gain a good work life balance, as well as our investment in training, development and wellbeing.

Pay is reviewed on an annual basis and our salaries reflect the knowledge, skills, responsibilities and attributes required for the performance of each position. Our salaries are benchmarked against similar roles in other charities and relevant organisations. A set percentage increase, directed by the RPI, CPI and the actions of other organisations in the sector and agreed on by the Remuneration and Nominations Committee, is given to all permanent staff with six months service, though exemplary performers may receive a higher increase. We operate a robust performance management process to ensure that productivity is high and staff are supported.

Comic Relief also benefits from the incredible efforts of a huge family of volunteers who help us to achieve our goals. In Red Nose Day 2015, almost 500 of the UK's best known comedians, artists and entertainers gave up their time and talent – for free – to support our work. And this was supported by an even larger network of people up and down the country who not only volunteered their time, but went to extraordinary lengths to help raise money for Red Nose Day – organising events, taking part in our challenges and promoting our work.

This support allows Comic Relief to minimise core running costs, and enables our highly professional staff to focus their work on delivering ground-breaking campaigns, coordinating fundraising efforts and ensuring that the money is distributed as fairly, efficiently and usefully as possible through the grants we make in the UK and around the world.

Comic Relief also accepts pro-bono work and gifts in-kind from commercial partners wherever appropriate, in order to operate in as efficient and cost-effective a way as possible.

Structure and Governance

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



Tim Davie

(Chair of Trustees, and Remuneration and Nominations Committee)



Richard Curtis CBE

(Vice Chair of Trustees)



Suzi Aplin

(UK Grants Committee since 3 November 2015)



Diana Barran MBE

(UK Grants (until 3 November 2015), Investment and Finance and Risk** Committees)



Harry Cayton CBE

(UK Grants Committee)



Tristia Clarke

(Commercial and Technology Board)



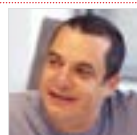
Michael Harris (Treasurer, Finance and Risk, Investment and Remuneration and Nominations Committees*)



Sir Lenny Henry



Colin Howes (Commercial and Technology Board, Investment Committee^)



Saul Klein

(appointed 27 May 2015)



Peter Salmon



Priscilla Snowball CBE

(Commercial and Technology Board)



Theo Sowa CBE

(International Grants Committee)



Robert S Webb QC

(International and UK Grants Committees)



Alexander Woollcombe

(appointed 25 November 2015)

In addition the following Trustees also held office during the year;

Joe Cerrell (until 26 February 2015)

Danny Cohen (until 25 November 2015)

Imelda Walsh (also Remuneration and Nominations Committee, until 27 May 2015)

^ Colin Howes joined the Investment Committee in December 2014.

* Mike Harris joined the Remuneration and Nominations Committee in July 2015.

** Diana Barran joined the Finance and Risk Committee in January 2016.

Structure and Governance (continued)

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. New Trustees are selected and appointed by existing Trustees to maintain an appropriate balance of skills and experience. New Trustees are given a programme of induction and training is available when required and relevant. One fifth of the Trustees are due for re-election each year and the number of times each Trustee is available for re-election is not limited.

The Trustees are advised by a committee structure including the UK and International Grants Committees, Finance and Risk, Investment, and Remuneration and Nominations Committees, all of which meet regularly and whose Trustee representation is indicated on page 41. The committees benefit from the specialist expertise of co-opted members selected to complement the skills and experience of Trustees on the respective committees.

There is also a Commercial and Technology Board, a sub-set of which serves as the Board for the two trading subsidiaries and on which there is Trustee representation. In addition, a series of advisory groups meet to discuss specific issues or opportunities. Decisions of the Trustees are implemented by the Chief Executive and his executive team who are appointed by the Trustees.

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

Conclusion

The Trustees, who are also the directors of the company, submit their annual report and accounts of Charity Projects and its subsidiaries for the year ended 31 July 2015. This report also takes into account the provisions of the Companies Act 2006 including the Enhanced Business Review. The reference and administrative information shown on the previous and following pages form part of this report.

Charity Projects is the registered name of the charity but it is better known as Comic Relief, and therefore all references to the organisation in this annual report and accounts will be in the name of Comic Relief.

Executive Directors

Executive Directors

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

Kevin Cahill CBE	Chief Executive
Derek Gannon	Chief Operating Officer
Charlotte Ashton	Creative Director (start date 19th Feb 2015)
Amanda Horton-Mastin	International Campaign Development Director
Judith McNeill	Grants Director
Michele Settle	Director, UK Campaigns & Brands
Helen Wright	Finance Director (start date 20th Oct 2014)

Auditor

A resolution to re-appoint KPMG LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

Statement of responsibilities of the Trustees of Charity Projects in respect of the annual report and accounts

The Trustees are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the

charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

In approving the Annual Report, the Trustees are also approving the Directors' Report and Strategic Report in their capacity as company directors.



David Lewis
Company Secretary
Date: 11 April 2016

Administrative information

Company Secretary

David Lewis (appointed 7 December 2015.

Derek Gannon 19 March 2015 to 6 December 2015 and

Colin Howes 1 August 2014 to 19 March 2015)

Chief Executive

Kevin Cahill CBE

Registered Office

14 Hanover Square
London W1S 1HP

Principal Address

1st Floor
89 Albert Embankment
London SE1 7TP

Statutory Auditor

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9PT

Honorary Accountants

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

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

Adam & Company plc
22 Charlotte Square
Edinburgh EH2 4DF

Investment Advisors

Ingenious Asset Management
15 Golden Square
London W1F 9LG

Solicitors

Harbottle and Lewis LLP
14 Hanover Square
London W1S 1HP

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

Company Number

1806414

Charity Numbers

326568 (England and Wales)
SC039730 (Scotland)

Independent auditor's report to the members of Charity Projects

We have audited the financial statements of Charity Projects for the year ended 31 July 2015 set out on pages 48 to 75. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 44, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

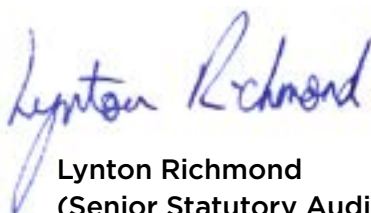
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information in the Annual Report, which constitutes the Strategic Report and the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Lynton Richmond
(Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate, Brighton Road,
Crawley, RH11 9PT
13 April 2016

Financial Statements

Consolidated statement of financial activities (incorporating an Income and Expenditure Account and the Statement of Total Recognised Gains and Losses) for the year ended 31 July 2015

	Unrestricted funds		Restricted Funds	2015	2014
	Grants £000	Other £000	£000	£000	£000
Incoming resources (1e)					
Incoming resources from generated funds					
Voluntary income (3)	74,179	7,613	6,944	88,736	73,033
Activities for generating funds	11,897	3,141	-	15,038	7,485
Investment income (5)	-	2,370	14	2,384	3,906
Total incoming resources (3)	86,076	13,124	6,958	106,158	84,424
Resources expended (1g)					
Costs of generating funds					
Costs of generating voluntary income (6)	-	13,228	109	13,337	15,755
Fundraising, trading and other costs (6)	-	1,838	-	1,838	1,544
Investment management costs (6)	-	523	-	523	92
	-	15,589	109	15,698	17,391
Charitable activities					
Tackling poverty and social injustice:					
UK (6)	34,434	-	11,927	46,361	27,575
International (6)	50,640	-	10,277	60,917	57,029
Global awareness, education and social change (6)	469	4,740	474	5,683	5,091
	85,543	4,740	22,678	112,961	89,695
Governance costs (6c)	-	117	-	117	176
Total resources expended (6)	85,543	20,446	22,787	128,776	107,262
Net incoming/(outgoing) resources for the year	533	(7,322)	(15,829)	(22,618)	(22,838)
Realised gains/(losses) on investment assets (5)	-	553	-	553	(3,861)
Net incoming/(outgoing) resources for the year before transfers	533	(6,769)	(15,829)	(22,065)	(26,699)
Net transfers between funds (20/21)	448	(698)	250	-	-
Net income/(expenditure) for the year	981	(7,467)	(15,579)	(22,065)	(26,699)
Unrealised gains on investment assets (5/14b)	-	9,725	-	9,725	1,982
Net movement in funds	981	2,258	(15,579)	(12,340)	(24,717)
Funds brought forward at 1 August 2014	70,830	40,865	1,720	113,415	138,132
Funds carried forward at 31 July 2015 (20/21)	71,811	43,123	(13,859)	101,075	113,415

All amounts relate to the continuing activities of the group. The group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. 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 52 to 75.

Charity statement of financial activities (incorporating an Income and Expenditure Account and the Statement of Total Recognised Gains and Losses) For the year ended 31 July 2015

	Unrestricted funds		Restricted Funds	2015 £000	2014 £000
	Grants £000	Other £000			
Incoming resources					
Incoming resources from generated funds					
Voluntary income	74,179	7,613	6,944	88,736	73,033
Gift Aid from Comic Relief Limited	11,897	1,334	-	13,231	6,012
Investment income	-	2,339	14	2,353	3,835
Total incoming resources	86,076	11,286	6,958	104,320	82,880
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	-	13,228	109	13,337	15,755
Investment management costs	-	523	-	523	92
	-	13,751	109	13,860	15,847
Charitable activities					
Tackling poverty and social injustice:					
UK	34,434	-	11,927	46,361	27,575
International	50,640	-	10,277	60,917	57,029
Global awareness, education and social change	469	4,740	474	5,683	5,091
	85,543	4,740	22,678	112,961	89,695
Governance costs	-	117	-	117	176
Total resources expended	85,543	18,608	22,787	126,938	105,718
Net incoming/(outgoing) resources for the year	533	(7,322)	(15,829)	(22,618)	(22,838)
Realised gains/(losses) on investment assets	-	553	-	553	(3,861)
Net incoming/(outgoing) resources for the year before transfers	533	(6,769)	(15,829)	(22,065)	(26,699)
Net transfers between funds	448	(698)	250	-	-
Net income/(expenditure) for the year	981	(7,467)	(15,579)	(22,065)	(26,699)
Unrealised gains on investment assets	-	9,725	-	9,725	1,982
Net movement in funds	981	2,258	(15,579)	(12,340)	(24,717)
Funds brought forward at 1 August 2014	70,830	40,715	1,720	113,265	137,982
Funds carried forward at 31 Julv 2015	71,811	42,973	(13,859)	100,925	113,265

All amounts relate to the continuing activities of the charity. The charity has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. 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 52 to 75

Balance sheets as at 31 July 2015

	Notes	2015		2014	
		Group £000	Charity £000	Group £000	Charity £000
Fixed assets					
Intangible assets	12	323	-	143	-
Tangible assets	13	2,227	2,227	3,192	3,192
Investments	14a	144,428	144,428	135,304	135,304
		146,978	146,655	138,639	138,496
Current assets					
Investments	15	66,544	63,495	86,219	81,178
Debtors (including £1.4m due after one year)	16	19,338	28,523	11,783	18,386
Cash at bank and in hand		18,654	12,422	8,055	6,411
		104,536	104,440	106,057	105,975
Creditors					
Amounts falling due within one year	17a	(85,516)	(85,247)	(74,222)	(74,147)
		19,020	19,193	31,835	31,828
Net current assets					
		165,998	165,848	170,474	170,324
Total assets less current liabilities					
Creditors					
Amounts falling due after more than one year	17b	(64,923)	(64,923)	(57,059)	(57,059)
	19	101,075	100,925	113,415	113,265
Funds					
Unrestricted funds					
Grant funds (designated)	20	71,811	71,811	70,830	70,830
Designated funds	20	12,926	12,926	14,600	14,600
General funds	20	16,798	16,648	21,060	20,910
Investment reserve	20	13,399	13,399	5,205	5,205
		43,123	42,973	40,865	40,715
Total other unrestricted					
Total unrestricted		114,934	114,784	111,695	111,545
Restricted funds	21	(13,859)	(13,859)	1,720	1,720
		101,075	100,925	113,415	113,265

Approved by the Trustees on 11 April 2016
and authorised for issue on their behalf by:



TIM DAVIE
Chairman



MICHAEL HARRIS
Trustee and Chair of Finance and Risk Committee

The notes on pages 52 to 75 form part of these financial statements.

Consolidated cash flow statement – For the year ended 31 July 2015

(a) Reconciliation of net outgoing resources to net cash outflow from operating activities

	Notes	2015 £000	2014 £000
Net (outgoing) resources		(22,618)	(22,838)
Depreciation and amortisation		1,580	1,749
Loss on disposal of fixed assets		(2)	–
Investment income		(2,384)	(3,906)
(Increase)/decrease in debtors		(7,555)	886
Increase/(decrease) in creditors		19,158	(7,641)
Net cash (outflow) from operating activities		(11,821)	(31,750)

(b) Cashflow Statement

Net cash (outflow) from operating activities		(11,821)	(31,750)
Returns on investments and servicing of finance			
Investment income		2,384	3,906
Capital expenditure and financial investment			
Receipts from sale of fixed asset investments		49,316	117,842
Payments to acquire fixed asset investments		(87,806)	(46,844)
Net reinvestments of/(payments to acquire) portfolio cash		39,648	(70,191)
Payments to acquire tangible and intangible fixed assets		(797)	(1,172)
		361	(365)
Management of liquid resources	23	19,675	30,829
Increase in cash in the year	24	10,599	2,620

(c) Reconciliation of net cash flow

Increase in cash in the year		10,599	2,620
Cash used in management of liquid resources		(19,675)	(30,829)
Change in net funds resulting from cash flows		(9,076)	(28,209)
Net funds at 1 August 2014		94,274	122,483
Net funds at 31 July 2015	24	85,198	94,274

The notes on pages 52 to 75 form part of these financial statements.

Notes to the financial statements For the year ended 31 July 2015

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Companies Act 2006, applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" revised in July 2008 by the Charity Commission in England and Wales (SORP 2005). The accounting policies below have been adopted for material items. No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the trustees. These accounts are filed with the registrar of companies.

The Investment Reserve reflects the difference between historic cost and current market value of the investment portfolio at the balance sheet date.

b) Consolidation

These financial statements represent the consolidated results and net assets of Charity Projects and its subsidiaries up to 31 July 2015.

Charity Projects has taken advantage of the exemption given by Financial Reporting Standard 8 from disclosing transactions with members of the same accounting group, this applies where 100% of the voting rights are held within the group. All members of the Charity Projects Group are listed on page 41.

c) Fixed assets

Intangible fixed assets (Trademarks)

Intangible fixed assets are stated at historical cost. Amortisation is provided on all intangible fixed assets at 10% per annum on a straight-line basis. This is calculated to write down each trademark over the length of the period for which it is valid. Assets are assessed at least annually for impairment. Any impairment value is recognised immediately in the statement of financial activities.

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:-

Fixtures and fittings	25% straight-line basis
Technology	20% – 33 1/3% straight-line basis
Office premises (refurbishment)	20% straight-line basis

Individually purchased software is written off in the year of acquisition.

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

d) Investments

Investments are included at market value at the balance sheet date which gives rise to unrealised gains and losses at the end of the financial period which are included in the statement of financial activities. Realised gains and losses arising on disposal of investments are separately identified in the statement of financial activities. The realised gains are calculated as the difference between valuation, including accrued interest, at the beginning of the financial year, or the cost of purchase during the year, and the subsequent sale proceeds.

e) Incoming resources

Incoming resources are accrued and included in the statement of financial activities when the Group is entitled to the income and it can be quantified with reasonable certainty, and are deferred when they relate to future accounting periods.

Voluntary income represents monies received by the charity from charitable donations, fundraising events and grants. This 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.

Legacies are accounted for as incoming resources once the receipt of the legacy becomes virtually certain and 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 and once all conditions attached to the legacy have been fulfilled.

Notes to the financial statements For the year ended 31 July 2015

1. Accounting policies (continued)

The income from “activities for generating funds” is derived from the activities of the charity’s subsidiary Comic Relief Limited (and historically Brand Relief Limited) and are included in the consolidated statement of financial activities when receivable.

Investment income and its related tax credit is stated on a receivable basis.

f) 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.

g) Resources expended

Resources expended are 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 time spent by staff on each cost area.

Costs of generating voluntary income comprise fundraising and event costs.

Fundraising, trading and other costs comprise the operating costs of the charity’s trading subsidiaries.

Charitable activities represents the grants awarded, and 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 staff and overhead costs which have been apportioned to each expenditure heading on the basis of staff headcount as detailed in note 8.

Governance comprises costs in relation to statutory and regulatory compliance and a proportion of support costs, as shown in note 6c.

h) Grants payable

Grants are recognised in the statement of financial activities when they have been approved by the Trustees and are apportioned between amounts due within one year and after more than one year as appropriate. The charity monitors the usage to which a grant is put and reports are required from beneficiaries before the next annual instalment is paid. However, the beneficiary would have a valid expectation that they would 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.

i) Operating leases

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

j) General fund

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

k) Designated funds

These unrestricted funds have been designated by the trustees for specific purposes and are listed in note 20.

l) Restricted funds

These funds can only be used for purposes as specified by the donor and are listed in note 21.

m) 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.

n) Irrecoverable VAT

Irrecoverable VAT is allocated to the principal areas in which it has been incurred. Irrecoverable VAT during the year amounted to £499,841.

2. Charity statement of financial activities

A separate statement of financial activities has been prepared for the charity alone as required by regulations of the Office of the Scottish Charity Regulator (OSCR).

Notes to the financial statements For the year ended 31 July 2015

3. Total incoming resources – Group

	Notes	Grants £000	Other £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Voluntary income						
Fundraising events		65,691	86	–	65,777	48,540
Grant income	(3a)	8,473	959	5,059	14,491	16,060
Other donations		15	9	1,818	1,842	2,952
Gift Aid		–	5,315	–	5,315	4,822
Contributions to operating costs		–	1,244	67	1,311	659
		74,179	7,613	6,944	88,736	73,033
Activities for generating funds						
Trading income from:						
Comic Relief Limited	4	11,897	3,141	–	15,038	7,485
Investment income	5	–	2,370	14	2,384	3,906
		86,076	13,124	6,958	106,158	84,424

Fundraising events include income raised through our Red Nose Day and Sport Relief campaigns. 2015 was a Red Nose Day year whereas the comparative 2014 period was a Sport Relief year. Due to the substantial difference in annual income between these two campaigns, comparisons may not always prove useful.

Activities for generating funds comprise the turnover of Comic Relief Limited, a trading subsidiary of Charity Projects. Comic Relief Limited's turnover consists of income from fundraising events organised by the company of £11.9m, (2014: £3.3m), and income of £3.1m from licensing activities and sponsorship received to help to cover costs (2014: £4.2m). Brand Relief Limited is dormant and had no turnover in the year (2014: nil turnover).

Donated goods and services are included within contributions to operating costs.

Notes to the financial statements For the year ended 31 July 2015

3. Total incoming resources – Group (continued)

(a) Grant Income

In 2015, grant income of £14.5 million was comprised of:

Name of Funder	Grants £000	Other £000	Restricted funds £000	Total 2015 £'000	Total 2014 £000
Department for International Development (DfID)	8,473	-	-	8,473	7,792
The Bill & Melinda Gates Foundation	-	959	3,000	3,959	5,000
The Queen Elizabeth Diamond Jubilee Trust	-	-	-	-	1,738
The Scottish Executive	-	-	-	-	750
Vodafone Foundation	-	-	200	200	250
International Inspiration	-	-	-	-	250
The Sainsbury's Fair Trade Development Fund	-	-	313	313	125
The Ballinger Charitable Trust	-	-	100	100	100
Northern Rock Foundation	-	-	323	323	-
The Joseph Rowntree Foundation	-	-	358	358	-
Esmée Fairbairn Foundation	-	-	250	250	-
The Big Lottery Fund	-	-	240	240	-
Spirit of 2012	-	-	275	275	-
The Baring Foundation	-	-	-	-	50
The Nominet Trust	-	-	-	-	5
Total Grant Income	8,473	959	5,059	14,491	16,060

4. Comic Relief Limited and Brand Relief Limited

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

	Comic Relief Ltd 2015 £000
Turnover	15,038
Overhead expenditure	(1,839)
Operating profit	13,199
Interest receivable	32
Profit on ordinary activities before and after taxation	13,231
Payment under Gift Aid	(13,231)
Retained profit for the year	-
Assets and liabilities	2015 £000
Intangible fixed assets	323
Current assets	14,479
Current liabilities	(14,652)
Net current assets	(173)
Long term liabilities	-
Net assets	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 immediate future.

Notes to the financial statements For the year ended 31 July 2015

5. Investment income – Group

Dividends
Other interest receivable

Gross investment income

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

a) Investment portfolio

Dividends
Realised investment gains/(losses)
Unrealised investment gains

Gross investment return

Less portfolio management costs

Net investment return (total return)

	2015 Total £000	2014 Total £000
Dividends	1,520	2,321
Other interest receivable	864	1,585
Gross investment income	2,384	3,906
Investment income is split between returns from the investment portfolio and from cash holdings as follows:		
a) Investment portfolio		
Dividends	1,520	2,321
Realised investment gains/(losses)	553	(3,861)
Unrealised investment gains	9,725	1,982
Gross investment return	11,798	442
Less portfolio management costs	(492)	(57)
Net investment return (total return)	11,306	385

The increase in portfolio management charges arises due to the large holdings in cash in the prior year being reinvested into funds which carry an active management charge.

b) Income from cash holdings

Interest receivable
Less cash management charges

Net return from cash holdings

Interest receivable	864	1,585
Less cash management charges	(31)	(35)
Net return from cash holdings	833	1,550

Notes to the financial statements For the year ended 31 July 2015

6. (a) Analysis of total resources expended – Group

	Grant costs (note 7) £000	Staff costs (note 8) £000	Support costs (note 6b) £000	Other direct costs £000	2015 Total £000	2014 Total £000
Costs of generating funds						
Costs of generating voluntary income	-	7,167	2,131	4,039	13,337	15,755
Fundraising trading and other costs	-	856	344	638	1,838	1,544
Investment management costs	-	-	523	-	523	92
	-	8,023	2,998	4,677	15,698	17,391
Charitable activities						
Tackling poverty and social injustice:						
UK grant making	44,058	1,467	505	331	46,361	27,575
International grant making	57,920	1,823	666	508	60,917	57,029
Global awareness, education and social change	469	3,519	986	709	5,683	5,091
	102,447	6,809	2,157	1,548	112,961	89,695
Governance costs (note 6c)	-	14	23	80	117	176
Total resources expended	102,447	14,846	5,178	6,305	128,776	107,262
Resources expended include:					2015 £000	2014 £000
Auditor's remuneration:						
Audit of these financial statements-charity					31	30
Amounts receivable by auditor and their associates in respect of:						
Audit of financial statements of subsidiaries pursuant to legislation					20	21
Other services relating to taxation					4	6
Operating lease rentals – land and buildings, and other					484	440
Depreciation and amortisation					1,580	1,749

Notes to the financial statements For the year ended 31 July 2015

6. (b) Analysis of support costs – Group

	Premises £000	Deprec- iation £000	IT & office £000	HR, finance & management £000	2015 Total £000	2014 Total £000
Costs of generating funds						
Costs of generating voluntary income	264	712	613	542	2,131	1,804
Fundraising, trading and other costs	49	137	51	107	344	248
Investment management costs	–	–	–	523	523	92
Charitable activities						
Tackling poverty and social injustice:						
UK grant making	66	169	139	131	505	478
International grant making	87	223	183	173	666	538
Global awareness, education and social change	128	331	271	256	986	956
Governance costs	3	8	6	6	23	16
Total support costs	597	1,580	1,263	1,738	5,178	4,132

All support costs are allocated on the basis of staff time.

(c) Analysis of governance costs – Group and Charity

	2015 Total £000	2014 Total £000
Internal audit	16	16
External audit (charity only)	31	30
Trustee indemnity insurance	6	5
Legal and professional fees	17	87
Trustees' and committees' costs	10	9
Apportionment of staff and support costs	37	29
Total governance costs	117	176

Legal and professional fees in 2014 included £86,000 in respect of consultancy and advice relating to the Investment Review.

Notes to the financial statements For the year ended 31 July 2015

7. Charitable activities – grants awarded – Group & Charity

	2015 £000	2014 £000
Tackling Poverty and Social Injustice – UK		
Unrestricted		
Better Futures*	7,430	6,765
Fairer Society*	4,316	1,123
Give It Up	5	490
Healthier Finances*	3,996	2,385
Older People/Care Home Challenge fund	186	285
Safer Lives*	6,382	5,582
Sexually Exploited and Trafficked Young People	-	903
Special Applications	880	-
Sport for Change	437	1,250
Stronger Communities*	8,722	3,783
Tech for Good	304	-
Other grants	-	200
Total unrestricted grants allocated^	32,658	22,766
Cancelled grants	(754)	(503)
Learning and Evaluation direct costs	231	253
Total UK grants – Unrestricted	32,135	22,516
Restricted		
Give It Sum	-	8
Queen's Young Leaders	2,349	-
The BT Supporters Club	1,268	1,182
Other restricted		
Better Futures	3,723	1,350
Fairer Society	358	-
Dementia	969	-
Stronger Communities	3,088	-
Healthier Finances	3	-
Safer Lives	152	-
Other	15	157
Total restricted grants allocated^	11,925	2,697
Give It Sum cancelled grants	-	(21)
Older People cancelled grants	(2)	-
Steve Redgrave Fund cancelled grants	-	(8)
Total cancelled grants	(2)	(29)
Total UK grants – Restricted	11,923	2,668
Total UK grants awarded before cancelled grants and learning & evaluation costs	44,583	25,463
Less cancelled grants	(756)	(532)
Learning and evaluation costs	231	253
Total UK grant costs (note 6a)	44,058	25,184

^ Total of UK grants allocated was £44,583,000 (2014: £25,463,000)

*UK grants are now made under these five key themes.

(Where appropriate the 2012-13 approvals have been shown against these new themes).

Notes to the financial statements For the year ended 31 July 2015

7. Charitable activities – grants awarded – Group & Charity (continued)

	2015 Total £000	2014 Total £000
Tackling Poverty and Social Injustice – International		
Unrestricted		
Children and Young People at Risk	5,879	8,427
Education**	4,712	7,070
Health**	14,577	11,921
People Living in Urban Slums**	6,553	3,824
People Affected by HIV/AIDS	5,216	3,466
The New Fund	355	-
Trade, Enterprise and Employment**	4,642	6,500
Women & Girls**	5,598	7,335
Other***	380	616
Total unrestricted grants allocated^	47,912	49,159
Cancelled grants	(2,165)	(3,530)
Learning and Evaluation direct costs	220	575
Total International Grants – Unrestricted	45,967	46,204
Restricted		
Children and Young People at Risk	25	647
Health	3,000	5,000
People Living in Urban Slums	11	-
Trade, Enterprise and Employment	-	891
Other	-	18
Queen's Young Leaders	6,830	-
The BT Supporters Club	410	696
Total restricted grants allocated^	10,276	7,252
Cancelled grants	-	-
Total International Grants – Restricted	10,276	7,252
Total International Grants	56,243	53,456
Global awareness, education and social change (note 6a)		
Other grants allocated^	469	-
Total International grants awarded before cancelled grants and learning and evaluation costs	58,657	56,411
Less cancelled grants	(2,165)	(3,530)
Learning and evaluation costs	220	575
Total International grants	56,712	53,456
Debt relief on Kuapa Kokoo social investment loan (see note 16)	1,677	-
Total Grant costs – Unrestricted	78,571	68,720
Total Grant costs – Restricted	22,199	9,920
Total Grants expenditure (note 6a)	102,447	78,640

^ Total of international grants allocated was £58,657,000 (2014: £56,411,000)

** These International programmes include some grants which are match funded by UKAid Match Funding, and in 2012-13 some funded from the Common Ground Initiative.

*** Grants made under the old strategies in 2012-13 have been classified as Other

A breakdown of our grants is available from Comic Relief, 89 Albert Embankment, London SE1 7TP, or on our website www.comicrelief.com.

Notes to the financial statements For the year ended 31 July 2015

8. Staff – Group

	2015 Average no. of staff	2014 Average no. of staff
The average weekly number of persons employed by the group during the year was:		
Fundraising	102	64
Operations	46	58
Education/communications	52	53
Grant-giving	64	59
Red Nose Day staff team	18	2
Sport Relief staff team	3	43
Innovation team	10	9
	295	288
	2015 £000	2014 £000
Staff costs for the above persons comprised:		
Wages and salaries	11,106	10,690
Social security costs	1,177	1,043
Pension costs	1,078	1,061
	13,361	12,794
Agency staff	1,537	2,052
	14,898	14,846

'Agency staff' includes £52,425 of costs which have been capitalised as fixed assets.

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

	2015 Number	2014 Number
£60,001 – £70,000	11	10
£70,001 – £80,000	2	–
£80,001 – £90,000	1	–
£90,001 – £100,000	3	5
£110,001 – £120,000	2	1
£130,001 – £140,000	–	1

Pension contributions made on behalf of the above totalled £214,120 (2014: £206,828).

The remuneration for the year, excluding pensions, for Kevin Cahill, Chief Executive, was £112,290 (2014: £132,194).

9. Pension contributions

Charity Projects implemented auto enrolment in May 2014 and operates a group personal pension scheme into which all eligible employees are automatically enrolled. Contributions payable to the pension scheme are charged to the Statement of Financial Activities as they become due. The charity makes a contribution, dependent on length of service, which is supplemented by an employee contribution. The number of staff taking part in the scheme was 344 (2014: 314) and the pension charge for the year was £1,078,378 (2014: £1,060,691).

Notes to the financial statements For the year ended 31 July 2015

10. Trustees

Trustees received £nil remuneration in the year (2014: £nil). £9,726 of costs were incurred for two trustees for travel, accommodation and subsistence in relation to trustee meetings (2014: £7,621 incurred for two trustees).

Indemnity insurance costing £6,360 (2014: £5,300) was purchased on behalf of the trustees

11. 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 (2014: £nil).

12. Intangible fixed assets – Group

Total
£000

Trademarks

Cost

At 1 August 2014

259

Creation of trademarks in the year

223

At 31 July 2015

482

Amortisation

At 1 August 2014

116

Charged in the year

43

At 31 July 2015

159

Net book value

At 31 July 2015

323

At 31 July 2014

143

As a result of annual impairment reviews, no impairment of intangible assets as at 31 July 2015 has been identified (2014: £nil).

Notes to the financial statements For the year ended 31 July 2015

13. Tangible fixed assets – Group and Charity

	Premises and fixtures £000	Technology £000	Total £000
Cost			
At 1 August 2014	2,318	7,775	10,093
Additions	47	527	574
Disposals in year	–	(7)	(7)
At 31 July 2015	2,365	8,295	10,660
Depreciation			
At 1 August 2014	2,046	4,855	6,901
Charged in the year	234	1,303	1,537
Disposals in year	–	(5)	(5)
At 31 July 2015	2,280	6,153	8,433
Net book value at 31 July 2015	85	2,142	2,227
Net book value at 31 July 2014	272	2,920	3,192

14. Fixed asset investment – Group and Charity

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

	2015 £000	2014 £000
Segregated global equities		
Fundsmith LLP	58,432	–
Pooled global equities		
iShares Dow Jones Sustainability Screened ETF	–	20,693
Private equity		
Bridges Community Development Ventures Fund II LP	1,746	1,342
Schroders Private Equity Fund of Funds III	2,625	3,595
Property		
F&C Commercial Property Trust	18,310	12,425
Charity Property Fund	32,772	–
Absolute Return		
Ignis Global Absolute Return Government Bond Fund	–	27,058
Cash	30,543	70,191
Total Group and Charity	144,428	135,304

The segregated equities managed by Fundsmith LLP consisted of 22 investments as at 31 July 2015. None of these individually exceeded £5m in value during the year.

Notes to the financial statements For the year ended 31 July 2015

14. Fixed asset investments (continued)

(b) Reconciliation of opening and closing market value

	2015 £000	2014 £000
Market value at 1 August	65,113	137,990
Additions at cost	87,810	46,844
Disposals at opening market value	(48,763)	(121,703)
Net unrealised investment gains	9,725	1,982
Market value of investments at 31 July	113,885	65,113
Portfolio cash held for investment	30,543	70,191
Market value of portfolio at 31 July	144,428	135,304
Historic cost of investments at 31 July	100,482	59,908

(c) Reconciliation of movements in unrealised gains on investment assets

	2015 £000	2014 £000
Group and charity		
Unrealised gains at 1 August	5,205	21,475
Adjust: in respect of disposals in the year	(1,531)	(18,252)
	3,674	3,223
Net gains arising on revaluations in the year (note 14b)	9,725	1,982
Unrealised gains at 31 July (note 20)	13,399	5,205

d) The charity holds unlisted investments costing £102 (2014: £102) in the following subsidiary undertakings:

	Country of incorporation	Principal activity	Class of shares	Share capital held
Comic Relief Limited (note 4)	England	Trading	Ordinary £1	100%
Brand Relief Limited (note 4)	England	Non trading	Ordinary £1	100%

Notes to the financial statements For the year ended 31 July 2015

15. Current asset investments

	2015 £000	2014 £000
Call accounts	37,721	25,298
Fixed term deposits	25,577	55,583
Global liquidity funds – Charity Projects	197	297
Market value at 31 July 2015 – Charity	63,495	81,178
Global liquidity funds – Comic Relief Limited	3,049	5,041
Market value at 31 July 2015 – Group	66,544	86,219

16. Debtors

	2015		2014	
	Group £000	Charity £000	Group £000	Charity £000
Amounts due from subsidiary undertaking	–	14,382	–	6,937
Other debtors	2,661	1,174	1,499	1,165
Social investment loans (due in less than 1 year)	321	321	592	592
Social investment loans (due in more than 1 year)	1,386	1,386	3,076	3,076
Prepayments and accrued income	14,970	11,260	6,616	6,616
	19,338	28,523	11,783	18,386

The social investment loans include £692,713 remaining on the \$5 million loan made during 2008/9 to Kuapa Kokoo Farmers Union Ltd (KKFU). Due to significant devaluation of the Ghanaian Cedi (GHS) against the US Dollar (USD) between 2009 and 2014, Trustees have agreed to re-denominate the outstanding loan balance due from Kuapa Kokoo Farmers Union Ltd from USD to GHS – the currency in which Kuapa derives income. This debt relief mitigates the adverse foreign exchange movement and reduces the amount due at 1st August 2014 from £2,368,967 (USD4 million) to £692,713 (GHS4 million). Repayments were suspended while discussions were ongoing and, having concluded the negotiations, we have extended the loan end date from March 2018 to December 2019. There is security for the remaining loan balance and interest remains payable on the Cedi balance. This is offset by £0.9 million in interest that Comic Relief will receive over the life of the loan, reducing the overall cost to £0.8 million. The debt relief has been accounted for within grant expenditure because the primary purpose of the loan was to help improve the lives of cocoa farmers, their families and communities in one of the poorest regions of the world.

Notes to the financial statements For the year ended 31 July 2015

17. Creditors

	2015		2014	
	Group £000	Charity £000	Group £000	Charity £000
(a) Amounts falling due within one year:				
Grants approved not yet paid	82,432	82,432	72,345	72,345
Other creditors	506	308	826	773
Taxation and social security	466	466	432	432
Accrued expenditure	1,750	1,679	619	597
Deferred income	362	362	-	-
	85,516	85,247	74,222	74,147
(b) Amounts falling due after more than one year				
Grants approved not yet paid	64,923	64,923	57,059	57,059

18. 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 15 members at 31 July 2015 (2014:16)

19. Analysis of group net assets between funds

	Unrestricted funds		Restricted funds	Total funds	
	Grants £000	Other £000	£000	2015 £000	2014 £000
Fixed assets	144,428	2,550	-	146,978	138,639
Current assets/(liabilities)	73,280	43,295	(12,039)	104,536	106,057
Current liabilities	(80,974)	(2,722)	(1,820)	(85,516)	(74,222)
Liabilities due after one year	(64,923)	-	-	(64,923)	(57,059)
Group net assets	71,811	43,123	(13,859)	101,075	113,415

Notes to the financial statements For the year ended 31 July 2015

20. Unrestricted funds

	Balance 1 August 2014 £000	Incoming resources £000	Resources expended £000	Investment movements £000	Transfers £000	Balance 31 July 2015 £000
Charity and Group Designated funds – Grants						
Grants						
Other	85,369	77,603	(78,026)	–	469	85,415
Common Ground Initiative I	78	–	–	–	–	78
Common Ground Initiative II	–	2,668	(2,924)	–	–	(256)
UKAid Match Funding	(13)	–	(1)	–	–	(14)
UKAid Match Funding Slums	(4,516)	1,179	(860)	–	(7)	(4,204)
UKAid Match Funding Maanda	(9,229)	3,717	(2,040)	–	(7)	(7,559)
UKAid Match Funding Trade & Enterprise	(935)	909	(1,631)	–	(7)	(1,664)
Give It Up Fund	76	–	(61)	–	–	15
Total Designated Grant funds	70,830	86,076	(85,543)	–	448	71,811
Other						
Designated funds						
Fixed Asset Reserve	3,335	–	–	–	(785)	2,550
The New Fund	10,000	–	(439)	–	–	9,561
The Bill & Melinda Gates Foundation	1,015	959	(690)	–	(469)	815
The Vodafone Foundation	250	–	–	–	(250)	–
	14,600	959	(1,129)	–	(1,504)	12,926
Group – General Reserve	21,060	12,165	(19,317)	2,084	806	16,798
Investment Reserve (note 14c)	5,205	–	–	8,194	–	13,399
	26,265	12,165	(19,317)	10,278	806	30,197
Total Group – Other unrestricted funds	40,865	13,124	(20,446)	10,278	(698)	43,123
Total Charity – Other unrestricted funds	40,715	11,286	(18,608)	10,278	(698)	42,973

Notes to the financial statements For the year ended 31 July 2015

20. Unrestricted funds (continued)

The negative balances on funds relating to the Department for International Development (UKAid Match Funding and the Common Ground Initiative) arise because incoming resources are only recognised when the cash stage payments are received from DfID, but the corresponding grants paid are recognised in full at the time they are awarded. These negative balances will be eliminated over a number of years as funds are received from DfID.

Other grants represent all unrestricted income received from events and certain income from other activities, and are used to support work tackling poverty and social injustice.

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

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

UKAid Match Slums Initiative is a co-funding arrangement created as part of Sport Relief 2012 whereby DfID committed to match fund £10 million of Sport Relief funds raised by the public which will be allocated towards slums projects in 4 cities in Africa.

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

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

The Give It Up Fund aims to increase access to abstinence based treatment for people with addictions and to help sustain recovery long term.

Notes to the financial statements For the year ended 31 July 2015

20. Unrestricted funds (continued)

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

The New Fund 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.

The Bill & Melinda Gates Foundation – this general grant has been designated by the trustees of Comic Relief to help launch Red Nose Day in the USA, and to develop creative ways of demonstrating success stories from Africa.

The Vodafone Foundation – these funds received in 2013/14 have been reclassified as restricted funds in accordance with the requirements of the grant agreement (see note 21, restricted funds).

Investment Reserve – this reflects the difference between historic cost and current market value of the investment portfolio at the balance sheet date (see note 14c).

Notes to the financial statements For the year ended 31 July 2015

21. Restricted funds

Group and Charity

	Balance 1 August 2014 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance 31 July 2015 £000
The Baring Foundation	13	-	-	-	13
The Bill & Melinda Gates Foundation	-	3,000	(3,000)	-	-
Laurie Family Fund	260	24	(110)	-	174
Manchester City F.C.	2	-	(2)	-	-
Premier League	(350)	-	-	-	(350)
SSE	37	-	-	-	37
North East & Cumbria Dementia Fund	100	423	(969)	-	(446)
Queen's Young Leaders	1,515	7	(9,653)	-	(8,131)
Sainsbury's Fair Development Fund	(546)	313	-	-	(233)
The Scottish Sport Relief Home & Away Programme	402	-	(351)	-	51
The SING Fund	13	2	-	-	15
Dementia Engagement and Empowerment (DEEP)	-	358	(358)	-	-
Do it for Real	-	275	(1,752)	-	(1,477)
Early Action Neighbourhood Fund	-	487	(4,731)	-	(4,244)
Urban Slums and Maternal, Newborn & Child Health	-	3	(3)	-	-
Steve Redgrave Fund	22	1	-	-	23
The Vodafone Foundation	-	200	(37)	250	413
BT Supporters Club	409	1,743	(1,748)	-	404
Other Restricted Funds	(157)	122	(73)	-	(108)
Total restricted funds	1,720	6,958	(22,787)	250	(13,859)

These restricted balances will be used to support future projects in accordance with Comic Relief's grant making principles and the wishes of the respective donors. Grant costs are recognised in full when the grant is awarded whereas the related incoming resources are recognised only when the cash is received, or there is an unequivocal obligation to donate. This can result in negative balances on some funds which will be covered by future income received against those funds.

The Baring Foundation is funding the advocacy and influencing programme within the Common Ground Initiative over a 5 year period.

The Bill and Melinda Gates Foundation is providing £5 million of match funding towards a £6 million grant to the GAVI Alliance for its vaccine programs in sub-Saharan Africa, and a £4 million grant to the Global Fund to fight Aids, Tuberculosis and Malaria.

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

Notes to the financial statements For the year ended 31 July 2015

21. Restricted funds (continued)

The Manchester City F.C., Premier League and SSE balances have/will be used to fund specified International and UK grants. The negative balance on the Premier League Fund will be covered by income due from Sport Relief 2016.

The North East and Cumbria Dementia Fund. £322,990 was received from each of The Northern Rock Foundation and The Ballinger Charitable Trust. This will be matched by Comic Relief. The fund provides grants in the North East and Cumbria for projects using new ways to support people with Dementia to live at home for longer and projects that provide support for their carers.

The Queen Elizabeth Diamond Jubilee Trust (QEDJT) is a match funding grant which launched The Queen's Young Leaders Programme to support young people from across the Commonwealth with a particular focus on youth unemployment and enterprise. The deficit on this fund will be eliminated as future instalments of this grant are receivable from QEDJT.

J. Sainsbury plc and Comic Relief support the **Fair Development Fund** through a £2 million match-funding grant over four years. The Fair Development Fund targets workers and smallholder farmers in Sainsbury's supply chains across Africa, promoting fairer working conditions and increased incomes to enable long-term sustainable livelihoods. Sainsbury's will contribute £250,000 per year for four years, whereas the grants awarded are recognised as an expense in full on approval. This will lead to the fund being in deficit until the end of the four year programme. Sainsbury's also provide a £1 million in-kind contribution directly to the grant recipients.

The Scottish Sport Relief Home & Away Programme funds grants in Scotland and the poorest countries in the Commonwealth.

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

Dementia Engagement and Empowerment (DEEP)

This is a partnership with the Joseph Rowntree Foundation that aims to support the growing collective voice of people with dementia. The funds received under this partnership are restricted to a grant awarded to Innovations in Dementia for delivering the DEEP project.

Do it for Real. This is a partnership agreement between Comic Relief, Spirit of 2012 and UnLtd. The programme aims to identify new ways of inspiring young people to take first steps into volunteering and, by doing so, to increase their confidence and

Notes to the financial statements For the year ended 31 July 2015

21. Restricted funds (continued)

sense of connectedness. The deficit on this fund will be eliminated as future installments of this grant are received from the funding partners.

Early Action Neighbourhood Fund. This is a partnership between Comic Relief, the Big Lottery Fund and the Esmée Fairbairn Foundation. The Fund aims to encourage major transformational change in the way in which funding and services are delivered in several areas of England, in order to shift spending to earlier action which will, in turn, reduce need. The deficit on this fund will be eliminated as future instalments of this grant are receivable from the funding partners.

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

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

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

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

Other Restricted Funds includes income from anonymous donors who have chosen to support specific areas of our grantmaking. One donor is contributing £250,000 over a three year period to fund three grants that were approved in 2013-14. This has led to this fund showing a deficit which will remain until the end of the three years.

Notes to the financial statements

For the year ended 31 July 2015

22. Commitments under operating leases

2015	2014
£000	£000

At 31 July 2015, the group had annualised operating commitments under non-cancellable operating leases expiring as follows:

Land and buildings: two to five years

325	431
-----	-----

Other: two to five years

8	8
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Total

333	439
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23. Management of liquid resources Group

2015	2014
£000	£000

Net disposal of current asset investments

19,675	30,829
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24. Analysis of the changes in net funds Group

Cash at bank and in hand

Current asset investments

Total

At 1 August 2014 £000	Cash flows £000	At 31 July 2015 £000
8,055	10,599	18,654
86,219	(19,675)	66,544
94,274	(9,076)	85,198

25. Related parties

Comic Relief Inc.

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

Kevin Cahill is Chief Executive of Charity Projects and President of CR Inc. Richard Curtis is a Trustee of Charity Projects and Vice President of CR Inc. The remaining four Trustees of CR Inc. are independent of Charity Projects.

Charity Projects exerts significant influence over CR Inc's operating and financial policies through the license agreement and board composition. However Charity Projects has no beneficial interest in CR Inc., receives none of the funds raised from Red Nose Day USA, has no rights to the residual assets of the organisation and does not have the power to remove CR Inc's board members. Therefore CR Inc. is neither a subsidiary nor an associate of Charity Projects.

In May 2015, the first Red Nose Day USA was produced by CR Inc. in partnership with NBC Universal under license from Charity Projects. The license was issued for nil cost in year one to support the launch of what is hoped will become an annual event.

The terms of the license provide for the provision of know-how and advice by Charity Projects to CR Inc. to ensure the successful delivery of Red Nose Day USA. As part of fulfilling these license commitments, Richard Curtis (as founder of Comic Relief, Executive Producer of Red Nose Day UK and Trustee of Charity Projects) agreed to perform an Executive Producer role for the TV show on NBC as well as supporting the set-up of the Red Nose Day campaign. Richard gave all of his time for free and Charity Projects paid travel and accommodation costs in line with the organisation's travel policy, to a value of £27,525 for the year.

In addition, following discussion with the Bill & Melinda Gates Foundation, £468,750 (\$750,000) of a core grant from the Foundation to Charity Projects, was sub-granted from Charity Projects to CR Inc. to support the year one production of Red Nose Day USA.

At 31 July 2015, CR Inc. owed £15,098 to Charity Projects for costs incurred in delivering Red Nose Day USA.

25. Related parties (continued)

CR Inc's year end is 31 December. The unaudited income raised from the first Red Nose Day USA was £14.9m (\$23.9m).

Other related parties

Colin Howes, one of our trustees, is a partner in Harbottle and Lewis LLP, a firm of solicitors which provided legal and professional services of £18,901 (2014: £73,469) to the group.

The charity has taken advantage of the exemption provided by Financial Reporting Standard No 8 not to disclose balances with or transactions between related parties eliminated on consolidation.

Photo credits: Victoria Dawe, Alex Walker, Mia Collis, Will Boase, Gary Moyes, Tara Carey, James Flood, Tom Dymond, Adam Woodhams, Trevor Leighton, Gabriele Franaois Casini, Lucille Flood.

Thank you to: Martin Beaver; Lang Communications Limited.

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M15_214. Comic Relief is the operating name of Charity Projects, a registered charity 326568 (England/Wales); SC039730 (Scotland).

