

CHARITY PROJECTS ANNUAL REPORT AND ACCOUNTS

2020-2021

COMIC
RELIEF

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CHAIR'S REPORT

Every person on our planet has been affected by COVID-19. People have died, livelihoods have been destroyed, relationships have been affected and it will be many years, if ever, before we can really count the impact that it has had. Even those of us who have been lucky to have emerged with our health and our jobs intact have been affected in a multitude of ways. Everyone has their own COVID story. And for many people in countries across Africa and elsewhere, where vaccines are still an ambition rather than a reality, the pandemic is still not a thing of the past.

But while the pandemic has brought out the worst in some people it has brought out the best in many more. The British public has shown unparalleled generosity in giving of its money to Comic Relief and of its time and commitment to neighbours, friends, family, the NHS and a host of other community organisations. The positive, optimistic, irreverent values on which Richard Curtis co-founded Comic Relief were very evident in the past year.

Over 5 million tuned in to watch Red Nose Day on 19 March 2021 which raised an incredible £61 million - even though schools who had often taken part in fundraising activities had just re-opened and many retailers remained shut, limiting the sale of some merchandise. Our corporate partners, many of whom have suffered existential threats with their businesses closed for long periods - the likes of British Airways, Sainsburys and TKMaxx - have been magnificent and I could not be prouder or more grateful of the way in which the BBC stepped up creatively and logistically and proved themselves yet again to be a world class organisation steeped in the best of British values.

And of course, I want to thank the committed and brilliant staff at Comic Relief who continued to work remotely and deliver our spectacular Red Nose Day, our first star-studded BBC Pantomime, and a myriad of innovative projects to engage the public. They have worked tirelessly to fund thousands of life-changing projects and find ways to impact the lives of people who need it most - all whilst maintaining a sense of humour.

We have had an excellent response to our UK and international appeal films this year, which put people with lived experience at the centre. This follows our commitment to modernise all our film content and in particular work with local film directors internationally and ensure the people and projects we are supporting lead their own stories in front of the camera.

We launched our Actions beyond Hashtags series of events to ensure we look at new ways to incorporate better representation across the creative industries in everything we do, in front of and behind the camera. Our co-founder Lenny Henry kicked off the first online event which explored representation in broadcast and launched a series of African-led short films on social issues, the Sema Stori initiative.

COVID-19 highlighted huge disparities in the way that people have been affected and we've responded by targeting work to address racial inequalities, working with UK grassroot projects. We've also focused on homelessness, domestic abuse, food poverty, and mental health funding for communities in the UK and internationally.

I would also like to warmly welcome our new CEO, Samir Patel, who joined us in our busiest campaign period in March. He brings a wealth of creative, digital, and humanitarian expertise and we are seeing the benefits of his positive creative leadership as we continue to modernise our brand and use culture for real positive social change. And I would like to thank our interim CEO Ruth Davison who led the charity throughout the challenges of the year until Samir's arrival and for whom we wish the best in her new role.

I didn't quite know what to expect when I joined Comic Relief as Chair last June, but I have been bowled over by the willingness of my fellow Trustees and partners in the UK and internationally to give so much of themselves to make Comic Relief a success. Thank you. And for that we owe so much to all the Comic Relief staff and Trustees who have come before us and who have created a brand that makes us want to give. It is our responsibility to ensure that Comic Relief is as engaging relevant and impactful for the next generation.

Thank you,



Eric

CEO'S REPORT

It has been an honour to join one of the best loved charities in the UK as CEO, during a time when our work is needed more than ever.

What attracted me to Comic Relief is our unique way of using the power of humour and entertainment to unite the nation and deliver social change that helps thousands of people.

I joined just in time to help deliver this year's spectacular Red Nose Day that raised an amazing £61 million. Our brilliant BBC partnership saw Red Nose Day themed TV collaborations across The One Show, BBC Breakfast, Ready Steady Cook, Blue Peter, Later with Jools Holland, and BBC Radio 1's LOLathon. The fun-filled night of TV included our amazing range of celebrity supporters and there was also a brand-new show, The Great Comic Relief Prizeathon, which gave viewers the chance to win extraordinary prizes.

My personal highlight was watching racing driver Billy Monger win the heart of the nation as he took on a gruelling 140 mile intense four-day triathlon which was captured in a BBC Documentary which raised over £3 million! Go Billy!

Of course the past year has been anything but normal. It is clear it will take the poorest communities years to get over the effect of the pandemic. With rising poverty, mental health issues, homelessness and domestic abuse, the role of charities in helping support the most vulnerable has never been more in demand and more important.

The support during the pandemic, from our donors, fundraisers, and partners, has been truly phenomenal. Plus the enthusiastic, dedicated work of our staff has been tremendous.

I want to continue to use even wider forms of popular culture to engage more audiences into Comic Relief's vital work. From ensuring our appeal films are more authentic than ever, and working with local creatives internationally, to using social media platforms, like Snapchat for exclusive entertainment series, and getting back to hosting live comedy events. We've also had a great response to our fundraising gaming partnership with Dungeons and Dragons and gaming is an area we'll look to expand in.

After the launch of our first wonderful plastic-free Red Noses this year and our continued commitment to divest from fossil fuels, we're looking at more sustainable ways of working as climate change increasingly effects all of our daily lives.

We will soon start the process of reviewing and refreshing our strategy, so watch this space as we have so many exciting things planned for you from Comic Relief in the future. And I do hope you enjoy reading about what we've delivered over the past year in our Annual Report.

Thank you so much,



Samir

OUR STRATEGY AND VALUES

OUR VISION AND STRATEGIC GOALS

Comic Relief has a vision of a Just World, Free From Poverty. We believe a better world is possible. But it's not just about a dream for the future - poverty is all around us right now, and it's causing extreme hardship and difficulty for too many people. We work to address the real consequences of poverty that are holding people back today, and we fight to change the unfair systems that cause injustice.

Our mission is to use the power of humour and popular culture to engage people to help others, and we support communities facing poverty and injustice to shape and own their future. This approach is underpinned by our values and our organisational strategy.

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

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

In the section below we look at our progress against these strategic goals during the year and we then outline our strategic priorities for the next year.

More broadly this report provides an overview of how our values and strategy have equipped us to respond in an exceptional way to a challenging, pandemic-dominated year. It provides an overview of our work in six core sections:

- Our Strategy and Values – how we've made progress against our strategy and the values that frame that;
- Our Impact – how we have distributed our funding and influenced wider change and an overview of how we work;
- Engagement and Income – how we have entertained and engaged the public, both through our own fundraising and in partnership with others;
- Finance and Resources – how we have managed our charity and how we continue to create a future-fit organisation;
- Governance – how we have run our charity; and
- Key Risks and Uncertainties – how we manage and mitigate our key risks and uncertainties.

PROGRESS AGAINST STRATEGIC GOALS

Below is a summary of progress we have made towards each of our four goals in 2020/21.

1 INCREASING OUR IMPACT

To accelerate the shifting of power to those closest to the issues we fund in areas such as funding design and practice.

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

PROGRESS

Over £7m of funding went to projects led by and for communities facing racial inequalities through our Global Majority Fund and government partnerships. The Global Majority Fund and Supporting & Sustaining Specialism Fund both utilised a Fund Reference Group which included people with lived experience to design the programmes and take decisions on allocation of funding. We also launched a Fund designed by young people which aims to tailor programmes that prevent youth violence.

53% of our international investments went directly to organisations in the Global South. We launched an ambitious 10 year partnership with UK Aid that aims to empower African communities to shape their future. This transformative programme will create an enabling environment for the strengthening of local civil society organisations, including their ability to raise income and become more sustainable.

We launched strong new representation and storytelling guidelines which ensure our international appeals and film content is now led by the people and project leaders who are closest to the issues we are addressing. Behind the camera we used local film directors and photographers who deliver an authentic perspective to creative content.

We are ensuring we work with a wide and diverse range of talent who are more representative of the communities we work with throughout our campaigns and this year we delivered one of our most successful challenges with Billy Monger, a disabled professional racing car driver, taking on an epic feat that raised millions.

2

INCREASING OUR ENGAGEMENT AND INCOME

Recognising the extremely challenging economic environment and context, we aim to maintain our income levels, while diversifying the various income streams to achieve a more balanced mix.

PROGRESS

Given the very challenging economic environment we delivered a really good income performance during the year. Total income for the year was £74.1m compared to £78m in the previous year. This slight reduction in income reflects our one-off Big Night In Campaign that generated £28.4m in our previous financial year. This was largely compensated for by the fact that our Red Nose Day campaign, which has now moved to an annual campaign, generated greater income than the prior year Sport Relief, which has moved away from a bi-annual campaign, to an all-year format.

After a difficult Sport Relief in 2020, which saw donations from schools affected due to the pandemic, we successfully re-engaged this audience, with school children across the UK dressing up as their favourite super hero. We created and tested a brand new digital fundraising activation aimed at involving a new family audience and raising money, engaging people at home during lockdown.

We expanded our prizes offering, piloting a new one-hour show dedicated to prizes that aired after RND21 Night of TV. Four exciting prizes helped us raise over £850,000.

We welcomed a number of significant new partnerships this year including Walkers which is helping fund vital mental health work.

On Christmas Eve, we premiered our first ever BBC2 special, "Cinderella: A Comic Relief Pantomime" that helped raise thousands.

3

CREATING A FUTURE-FIT ORGANISATION

To continue to engage and develop staff and embed an inclusive and supportive culture.

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

PROGRESS

We undertook a range of activities to support, engage and develop staff during the year. This included:

- Supporting all staff to work remotely and ensuring all staff were able to work productively and safely during the pandemic.
- Launching a comprehensive wellbeing support package.
- Rolling out a range of Learning and Development initiatives, including a new management development programme.
- An ongoing focus on implementing our Equality, Diversity and Inclusion (EDI) strategy which included setting up employee network groups.
- Reviewing and revising our full suite of People policies and procedures.
- Initiated a future fit programme of work that engaged people across the organisation and focussed on:
 - Improving key processes.
 - Reducing non-staff costs.
 - Better defining, refining and embedding our organisational culture.

4

ENABLING FOCUSSED GROWTH

To develop a clear technology roadmap that will create a digital culture within Comic Relief, as well as delivering new finance and donations systems to underpin our core activities.

To ensure our cost base is appropriate for our income level.

PROGRESS

We made good progress against our technology roadmap during the year with much of the work undertaken being preparatory for a step change in digital maturity in the following financial year.

In particular, to enable being a data-driven charity, we replaced our complex and expensive data warehouse and defined a data and analytics strategy to exploit the wealth of data at our disposal.

We had a focus on our enterprise systems where we finalised the implementation of Salesforce-based Grants Management System and developed plans for improved Finance and Fundraising systems.

There was an ongoing focus on protection from cyber risks including implementing a new information governance framework, a staff training programme and continual review and enhancement of the tools we use to keep our systems and data secure.

This is in addition to delivery of technology solutions which support new initiatives (such as our Prize Platform and improvements to supporter journeys) and the delivery of significant efficiencies and cost savings via rationalisation and replacement of legacy systems and infrastructure.

LOOKING AHEAD

As we are at the fourth year of our strategic plan, we will soon start the process of reviewing and refreshing our strategy. For the coming year, 2021/22, we have outlined five high level priorities which will enable us to continue to deliver against our strategy:

Strengthen the diversification of our income

To ensure our future organisational resilience, we must continue to diversify our income streams and find more opportunities for fundraising. Priorities include:

- Increasing the raising of income throughout the year, in addition to our now annual Red Nose Day campaign;
- Increasing digital fundraising and individual giving;
- Using audience interests and popular culture to identify fundraising opportunities such as through gaming and sport; and
- Strengthening and expanding corporate, trust and foundation partnerships.

Express and measure progress towards social change

We must continue to drive impact towards our vision, and be clear on our pathways to social change. Priorities include:

- Refreshing our Social Change Strategy to ensure we are focusing our resources on the best way to tackle poverty, injustice and social change;
- Clarifying and better articulating our impact and ways in which we achieve it;
- Better specifying criteria for the causes we fund; and
- Communicating and engaging audiences with our social change work through storytelling and campaigns.

Engage audiences and increase our relevance

We must build upon the work we have been doing to engage a range of audiences, old and new, compelling them to care about helping others. Priorities include:

- Continuing to evolve our Red Nose Day campaign and storytelling to keep it fresh and engaging;
- Embedding testing and learning as a key principle in our fundraising and engagement activities; and
- Refreshing our brand and communications in a way that is relevant to audiences and reflects the changing world.

Operate efficiently and sustainably

In these uncertain economic times, we must ensure we are doing everything we can to increase our efficiency and set ourselves up for the future. Priorities include:

- Updating our business model with a focus on long-term sustainability;
- Optimising data management and analysis;
- Streamlining key processes; and
- Optimising how we operate within our financial parameters, and assess Return on Investment (ROI).

Continue to advance Equality, Diversity, and Inclusion (EDI) in our organisation and our work

EDI is at the intersection of everything we do, and we must ensure that our staff feel a sense of belonging in our organisation, and that we are inclusive across our practices and external work. Priorities include:

- Implementing key elements of our EDI strategy and evolving it where necessary;
- Embedding staff-led steering and network groups; and
- Committing to long term plans, staffing and roadmap.

OUR VALUES

Our values underpin and inform everything we do. Internal initiatives across the year that involve and empower staff have helped us live and breathe these values. We worked with staff to refresh our values during the year to build them ever more deeply into our activities and behaviours.

COMIC RELIEF VALUES

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

INSPIRE A CULTURE OF GENEROSITY

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

BREAK DOWN BARRIERS

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

MAKE IT PERSONAL

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

HAVE A SENSE OF HUMOUR, ALWAYS

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

MAKE MEANINGFUL CHANGE

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

WALK THE WALK

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

SHARE THE STAGE

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

OUR IMPACT

HIGHLIGHTS

The COVID-19 pandemic has continued to challenge our funded partners, our thinking and therefore our response. We invest in organisations in the UK and internationally so that they can respond to significant and emerging needs from the communities they serve. We've made 187 new investments valued at £65.8m to 172 organisations in the past year. We have increasingly provided greater amounts of flexible and core funding in recognition of the highly complex and challenging contexts in which our funded partners are operating.

KEY NUMBERS

£65.8m

Total value of all investments awarded

7

Number of funding calls this year

1,838

Number of applications received

187

Number of new investments awarded

172

Number of organisations supported with new investments

32

Number of international investments direct to the Global South (53% of all international investments)

This year we have made investments across seven highly successful open calls, supporting charitable activities across the UK and internationally:

- **London Together:** funding Sport for Change and social inclusion work in London, in partnership with the Greater London Authority.
- **Global Majority Fund:** providing funding to address racial injustice across the UK, in partnership with the National Emergencies Trust (NET), The Clothworkers' Foundation, Barclays and the Esmée Fairbairn Foundation.
- **Tech for Good:** providing funding to define, test and develop digital solutions, or re-purpose existing technology to meet a social need or challenge, in one of our core issue areas across the UK, in partnership with the Paul Hamlyn Foundation.
- **Change Makers:** providing funding for social and systems change across multiple sectors and themes in the UK.
- **Levelling the Field:** providing funding for Sport for Change and gender justice across Zambia, Rwanda and Malawi, in partnership with the Scottish Government.
- **Support and Sustaining Specialism:** funding for organisations in England led by and for black and minoritised women and providing frontline services responding to violence against women and girls, in partnership with the Department for Culture, Media and Sport (DCMS).
- **Future Lookin' Good:** supporting young people to create a positive future where they can live with dignity, access basic housing, and be able to create a happy home in which they feel safe and secure, in partnership with KFC.

In line with our focus on tackling injustice this past year we progressed our work on funding gender and racial justice initiatives through the Global Majority Fund. We also piloted a Fund Reference Group for the first time which comprised people with lived experience of the issues we fund, who guided the direction of the fund and fed into key funding decisions.

For the Levelling the Field Fund, we brought in a panel of Experts by Experience from the Global South (Kenya and Namibia) to make the final decisions on where to allocate funding and our largest open call, Change Makers, for the first time ringfenced 20% of funding for organisations led by individuals and communities affected by racial injustice.

In February 2021, we also signed up to the Flexible Funders pledge, spearheaded by the Institute for Voluntary Action Research (IVAR). By signing up we are committed to making investments in a way that reflects the realities of the organisations we fund now and for the foreseeable future and to manage those investments and relationships in a way that reflects our confidence and respect for the organisations we fund. In the coming year we will continue to adapt our funding journey to ensure that it centres on those closest to the issues we care about.

“Diversity and inclusion is important both in front and behind the camera. Times have changed and society has evolved, and we must evolve too. African people don’t want us to tell their stories for them, what they need is more agency, a platform and partnership. I have seen first-hand what it means for African communities to see someone who looks just like them in charge of directing films. I am so glad that Comic Relief has listened and put in the work to develop its appeal films and deliver greater representation as they continue to raise millions for people in poverty around the world.”

Mental health charity

HOW WE CONTINUE TO RESPOND TO COVID-19

Responding to the pandemic was a central part of our work in the past year. We have continued to support organisations to respond to the needs of their communities - providing emergency funding, longer term support and flexible use of existing investments.

Here are a few highlights from our work:

- In the last financial year, we made 36 recovery funding investments totalling £13.5m to support our existing funded partners working across the UK. The programme, which came to an end in March 2021, has contributed to a range of positive outcomes for both our funded partners and the people they support. For the organisations that were funded, it helped to improve their capacity to meet increased demands and shifts in demand, to improve the digital skills of staff, support staff mental health and wellbeing and improve their capacity to adapt and respond to the delivery challenges caused by the pandemic. For the people they support, it contributed to reduced isolation, improved mental health and wellbeing, reduced digital exclusion, and improved personal safety.
- Building on the first round of the Global Majority Fund launched in July 2020, we launched a second round in November 2020, to further support communities experiencing racial inequalities which have been disproportionately impacted by COVID-19 in the UK. We funded 10 specialist charities with a share of a £2.8m fund which is set to help hundreds of smaller grassroots projects across the UK that provide vital services.
- In May 2021 we made 20 investments under our Change Makers programme, which aims to support organisations across the UK that will make a significant contribution to their sector at a national or local level. The organisations funded are working on a range of areas from developing culturally appropriate and accessible services, improved partnership working, centring those most affected in decision making, to holding decision-makers to account for upholding people's rights.
- In the UK and internationally, we extended our offer to our existing funded partners to use their funding flexibly based on their specific and emerging needs. This offer runs through to December 2021.

We also recognise that while the worst of the pandemic may seem to be behind us, many continue to be impacted by it and the effects will be felt for years to come both in the UK and internationally. As we refresh our Social Change Strategy, we will take this reality into account.

“Our frontline staff are used to having a secure office environment where they can deal with challenging, potentially traumatic casework and be supported by other staff. However, the pandemic forced them to work from home meaning it has been more difficult for them to separate any distress from work from a place where they should be able to relax. The funding from Comic Relief has enabled us to successfully increase the one-to-one clinical supervision sessions that staff do with trained support therapists and group reflective practice sessions. We introduced this in response to staff feedback”

Mental health charity

OUR SOCIAL CHANGE STRATEGY IN NUMBERS

Our Social Change Strategy describes how we work, in line with our charitable purpose, towards tackling poverty and injustice through four thematic issues (Global mental health; Gender Justice; A Safe Place to Be; Children Survive and Thrive) and three approaches which cut across our themes: Social Tech; Sport for Change; and Social Investment.

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

This year, of the 187 investments made, 36 were part of our response to COVID-19 with most of these investments also matching against our key thematic issues.

Of the 151 non-COVID-19 awards, 45% were aligned with one of the themes or one of the approaches in our Social Change Strategy, with the remaining 55% made either as part of pre-existing commitments agreed before our current Social Change Strategy was in place, or in alignment with our wider vision of a Just World Free From Poverty.

More information on the breakdown by thematic issue is shown below.

Thematic issue

Theme	Number of philanthropic investments	Value of investments
Children Survive & Thrive	17	£3.1m
Gender Justice	41	£8.1m
Global Mental Health	30	£6.6m
Safe Place to Be	31	£5.9m
Multi-themed	68	£42.1m
Total	187	£65.8m

While we have broken down our investments in the categories above, it is important to acknowledge that there are intersections between the issues that we fund. An investment on Sport for Change or Social Tech, for example, may also be focused on our Gender Justice work.

UK and international funding

Comic Relief aims to invest all unrestricted public funds evenly between the UK and internationally. This year we have seen lower international investments mainly due to timing of our unrestricted investments, most of which has shifted into the next year. We have around £11m of funds designated for international programmes which we plan to commit in the coming period. In addition we have £12m of funds designated to our international match funding commitments. The majority of these funds will be invested in the next period. For 2020/21 the split between UK and international is shown below.

UK/ International	Number of philanthropic investments	Value of investments
UK	126	£41.6m
International	61	£24.2m
Total	187	£65.8m

PROGRAMME HIGHLIGHTS

Bridging the Gaps (Global Mental Health)

The three priority areas under this funding programme centre around reducing mental health stigma and discrimination, providing access to quality services, and leveraging strategic changes at local and national level. Funding was awarded, a few months before the start of the pandemic, in the UK, India, Bangladesh, Zambia, Kenya and Nigeria.

As a result of the pandemic, most of our funded partners have reported an increase in anxiety, stress, and depression caused by a shift to delivering services remotely, where barriers such as privacy, domestic abuse, lack of internet access or poor internet connections are prevalent. On a positive note, most funded partners have also seen a rise in engagement from young men and a few projects have reported that young people are starting to open up and talk about their mental health. Funded partners have said this is mainly due to friends, family, organisations, and celebrities also speaking about mental health struggles and how talking can really help. Young people are also engaging and talking about mental health due to staff being from similar communities and backgrounds which fosters greater trust.

“Our new activities of online Zoom clubs and telephone circles...will be part of a blended suite of activities that will engage older people throughout the week with more than one interaction. Physical face to face clubs will remain our core work but these developments have helped us create activities to have greater impact on older people who are isolated, may have depression or are living with Dementia”

Mental health and wellbeing service

Supporting and Sustaining Specialism (Gender Justice and Communities Experiencing Racial Inequalities)

Comic Relief has been funding programmes tackling gender-based violence and supporting women and girls' activism for over thirty years. Through our partnerships with the Department for Culture Media and Sport (DCMS) and the Tampon Tax Fund, resources have been channelled to services supporting women and girls across the UK, including work which has focused on women and girls with multiple and complex needs, older women, and those facing multiple disadvantages. The Tampon Tax-funded programmes have been directly tackling violence against women and girls in the UK. In June 2021, Comic Relief made 10 investments, valued at £1.2m, across England under the Supporting & Sustaining Specialism programme. The programme provides support to organisations addressing violence against women and girls (VAWG) led by and for black and minoritised women. The programmes funded will be working towards improving access to quality services and support for black and minoritised women and girls who are experiencing, or at risk of, violence and abuse; improving understanding of needs of and effective responses to violence and abuse against black and minoritised women and girls, as well as sharing learnings with other organisations and stakeholders across the sector.

Power Up! (Gender Justice)

We are contributing to strengthening feminist movements in the UK and internationally. We continue to learn about relationships and approaches for shifting power and building feminist movements. We are also starting to see some clear outcomes, understanding more about how our funded partners are contributing to this complex space and how to create 'community' across diversity. The Power Up! programme prioritises women and girls having the power to identify their needs, organise around solutions and strategies, and collectively make decisions on how to move forward. This year, we looked at the impact that funded partners have made during the first 18 months using an outcome harvesting approach. We identified over 200 outcomes that partners had contributed to and over 180 strategies that partners had used. These outcomes spanned all the areas we looked at: personal power; influence on institutional power; power of organisations and movements; and influencing discourse of the media, community and political leaders. As well as building relationships and understanding between different actors, these shifts enabled women's movements to have greater visibility and credibility with duty bearers, which meant they could influence local pandemic responses and how resources were distributed.

Rise and Shine (Children Survive and Thrive)

Rise and Shine is our first funding programme under the Children Survive and Thrive pillar of our Social Change Strategy, focussing on early childhood development (ECD). The programme funds work in the UK, Kenya and Malawi.

Despite the significant challenges posed by the COVID-19 pandemic, we have seen our 21 funded partners respond creatively and work tirelessly to engage with families and find ways to provide the support and advice they needed at a critical time. We've seen organisations that have adapted their services and simultaneously taken on new challenges to respond to emerging needs. Their support ranged from weekly deliveries of food parcels, helping families navigate and access services, to delivering sessions online such as cookery, puppet shows, baby massage, and using tools and resources to help families "open up as a unit, solve problems together and talk more". Transferring everything online has been "the biggest achievement so far", enabling more people to be seen and leveraging more support from volunteers.

Across Borders (A Safe Place to Be – Forced Migration)

Across Borders is our forced migration programme and has now been delivering for a year. The programme supports refugees and people seeking asylum to find safe, legal, and dignified routes to safe settlement. We've taken a route-based approach to investing in organisations and partnerships operating from the Middle East and North Africa region, along European migration routes and in the UK with people resettling here. This approach emphasises and acknowledges the broader journey experienced by a person on the move and the need for a more interconnected response that transcends borders. In 2020, the Across Borders partners were featured in the opening ceremony of Geneva Peace Week where their collective poem 'A Recipe for Peace' was read. It was illustrated by the award-winning artist Majid Adin. The poem was the result of the Good Chance and Across Borders Poetry for Peace workshop which sought to build solidarity and peace through creativity and connections.

Preventing Homelessness and Insecure Shelter (A Safe Place to Be – Housing and Shelter)

As with many other areas of society, COVID-19 has worsened the existing vulnerabilities of homelessness and insecure shelter. It has reinforced the significance of housing as a pre-condition for health and wellbeing. Working across the UK, Sub-Saharan Africa and India, our funded partners have been working to break the cycle of homelessness and insecurity. For many people experiencing homelessness or living in dense informal settlements, social distancing and isolating has been impractical and often impossible. Responses to COVID-19 have created new knowledge and practices that need to be embedded in policy and support arrangements – avoiding a return to 'business as usual'. Services addressing homelessness and insecure shelter have developed new ways to keep in touch with their clients, including online contacts and working through community groups. The pandemic has forced community-based organisations and public agencies in the housing sector to think and act differently during the crisis. In South Africa, for example, we have seen partners challenging national policies and working collaboratively with the government to devise and implement responses to the pandemic in informal settlements, and in the UK, we've seen partners seizing the high visibility of homelessness during the pandemic to press for a long-term solution to homelessness.

The crisis has led to innovations and, in some cases, the extension of services and protections for people experiencing homelessness that need to be retained following the crisis period.

London Together (Sport for Change)

Sport for Change interventions can deliver integrated specialist support (mental health, empowering women and girls, building community cohesion, etc.) with groups that may not engage with more traditional services.

Along with the Mayor of London, we launched the £3m London Together fund in 2018. London Together invests in Sport for Change approaches that aim to improve social integration in London. To date, London Together has invested in 18 projects that are intentionally using sport to achieve specific social integration outcomes. This past year we launched a further round of funding which was open to organisations that use sport to increase trust between and within communities, challenge stereotypes and reduce prejudice or reduce social isolation. The ambition was to fund projects that go beyond just bringing isolated or lonely Londoners together and invest in work that builds confidence and skills, strengthens connections, and increases knowledge about how to access further support. We funded 12 organisations, to the value of £892k.

Tech for Good (Social Tech)

In April 2021 through the Tech for Good 'Build' Fund in partnership with Paul Hamlyn Foundation, we invested £1.3m in 20 organisations, working across our thematic areas along with disability. Funded partners have been provided with funding and dedicated wrap-around coaching and support to define, test and develop a digital solution that meets a social need or challenge, or re-use or adapt an existing product. The high number of applications highlights the acute need and appetite for tailored digital-specific support and funding across the sector, and the need for a more holistic consideration of digital in our mainstream funding processes.

In addition, the Centre for the Acceleration of Social Technology (CAST) delivered a £250k 'Explore' programme in late 2020 acting as an intermediary to support 45 organisations through a 3-month early-stage discovery and scoping process around their digital services. Evaluation findings show 70% of organisations increased their confidence in digital design, and 75% pivoted their solution.

Our Social Tech work continues to support our portfolio of strategic place-based capacity building investments, for example, funding Community Foundation Northern Ireland to seed local innovation through 'Techies in Residence', as well as engage with growing approaches to helping UK civil society grow in digital skills and confidence such as the Catalyst network.

Red Shed (Social Investment)

Our Social Investment work, called Red Shed, has approved 2 new investments this year totalling £1.75m to the Women in Safe Home Fund and The Sumerian Foundation's UK Social Inequality Facility. These are potentially transformational funds that will, respectively, provide Women's sector organisations with access to suitable transitional housing for survivors of domestic abuse, and support social entrepreneurs from diverse backgrounds to achieve innovative impact in line with our Social Change Strategy.

Red Shed has also completed research to inform its investment approach over the coming years and will focus on making Social Investment more accessible by providing bespoke, patient, flexible, and affordable impact-first investment capital to charities, social enterprises, and social impact funds. Red Shed will also continue to manage and support its investment portfolio, now standing at 10 investments totalling £3.4m. Red Shed has now received £489k in investment repayment and income, which will be reinvested to achieve further social impact, and benefited from a donation from a family trust foundation.

INFLUENCING AND CONVENING

From shifting the power in our funding streams, to reframing the narrative of our awareness appeals, over the last year we have held a series of events to generate meaningful conversations that turn into positive actions as we listen, learn and grow. Highlights of the 'Actions Beyond the Hashtags' series over the past year have focused on the modernising of our international film content with local film directors capturing local stories, better representation in the creative industries, and the need for our funded partners to have more agency when designing programmes for their communities. Highlights have included:

Better representation in the creative industries: 'In Conversation with... Sir Lenny Henry and June Sarpong'

In October 2020, Sir Lenny Henry, Comic Relief Honorary Life President and co-founder, and June Sarpong OBE, BBC Creative Director of Diversity, led a special discussion around changes in the creative industries hosted by Charlene White, ITV News broadcaster. At the event Sir Lenny discussed our journey and reframing of international appeal films to reflect modern Africa and astute global audiences. He also highlighted using our funding streams for the first time to address racial inequalities by investing nearly £6m in black-led and minority-led organisations across the UK.

"Diversity and inclusion is important both in front and behind the camera. Times have changed and society has evolved, and we must evolve too. African people don't want us to tell their stories for them, what they need is more agency, a platform and partnership. I have seen first-hand what it means for African communities to see someone who looks just like them in charge of directing films. I am so glad that Comic Relief has listened and put in the work to develop its appeal films and deliver greater representation as they continue to raise millions for people in poverty around the world."

Sir Lenny Henry



Rethinking the funding landscape: Adapting and Thriving Post-COVID-19

In April 2021, we convened an international discussion exploring what the term ‘shifting the power’ meant to international charities and how they want to be supported during the post-pandemic recovery. Guest speakers included a range of African grassroots charity leaders who discussed how development partners can use their resources and platforms to keep international organisations at the centre of programming and priority setting.

“We mean supporting actors, organisations, and communities to determine their own development and priorities that means really looking at how development can be done differently and how we can strengthen the actors within our community to lead from the front.”

Charles Kojo Vandyck from the West Africa Civil Society Institute (WACSI) set out how he defines the concept of shifting power

Sema Stori

This event in October 2020 focused on locally-led film-making with an international panel and the premiere of three new African-led films produced through our Sema Stori initiative. The films were delivered in partnership with Docubox, East Africa’s only film funder owned and run by African film makers. The project worked with 10 African film makers on a series of short films exploring important social issues through the eyes of local communities. The three films premiered were:

- ‘Everything is Not Okay’ by Eugene Muigai, who reflects on his own mental health struggles, utilising storytelling to bring people in his community together to also help them find their voice and create a stronger community;
- ‘River of Brown Waters’ by Laissa Malih, which focuses on climate change and its effects on the life of communities around the Ewaso Nyiro river, examining how the community has adapted and worked together to overcome the challenges of the changing of the land; and
- ‘Rehema’ by Josh Kisamwa, a powerful story of a community female figure who has saved many child brides from forced marriage, while also campaigning for young people to have an opportunity for an education.

“Using local filmmakers gives a voice to certain issues that would otherwise be overlooked. Some local issues are not taken as seriously as others. And most local communities live in remote areas and are mostly forgotten when issues arise. When you use local filmmakers, we can bring attention to these issues and their voices can be heard.”

Laissa Malih, filmmaker

REFRESHING OUR SOCIAL CHANGE STRATEGY

Our Social Change Strategy sets out how we seek to make change in the world, and it runs from 2018- 2028. Three years in, we have learnt a lot, not just from this last year operating in a global pandemic, but from the two years before that too. Externally, the world is also evolving rapidly: COVID-19 is highlighting and further entrenching structural inequities, the push for greater racial equity in society and the role that funders like us can play in advancing the conversation about how we ensure those closest to the issues we care about are in the lead and continue to accelerate.

These changes have led us to embark on a process to refresh our strategy to ensure we are focusing our resources on the best way we can contribute to continuing to pursuing social change in the remaining years of this strategy. The work kicked off in this financial year and is continuing in 2021-22.

“Certainly the knock on effects of this pandemic will cause new and emerging issues for years to come; in our local community which already suffers high multiple deprivation we do anticipate this will be exacerbated long into the future.”

Local community association

HOW COMIC RELIEF WORKS

Comic Relief is one of the UK's largest and best loved charities. Since the 1980s we have used the power of entertainment to engage people across the UK, and around the world, to support life-changing projects that help people break free from poverty and tackle injustice. Information on how we're structured can be found on page 48.

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

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

The last couple of years have been exceptional and given the immediate need brought about by the COVID-19 pandemic we varied our approach by distributing many funds as quickly as possible.

“Maybe I will be the first girl from our community to go to college”

When India went into lockdown in March 2020, Anjali’s family lost their means of income virtually overnight. The 16 year-old comes from a family of performers who live in an artists’ community in the city of Jaipur.

Anjali’s mother could no longer find work as a traditional folk dancer because there were no tourists. The young girl’s entire extended family struggled.

“The biggest problem during COVID-19 was food. When there was no work, we did not get money.”

During this time, Anjali’s uncle died and, to compound the family’s grief, hospital post-mortem tests showed he was COVID-19 positive and they became fearful they might also have coronavirus.

It was an intense, stressful time for Anjali but thanks to Butterflies, a project that receives funding from Comic Relief, she had somewhere to turn to help her talk about her feelings. Anjali has been a member of Butterflies’ Child Health Sport Cooperative programme (CHSC) since 2017.

“During coronavirus we used to stay indoors. We had problems with food and problems with our studies. Then when we slowly started to come out of lockdown, we were able to talk and discuss this issue.

I used to worry so [the project staff] helped me.”

The project teaches children from poor and marginalised communities in India about ways to improve their physical health through exercise and good diet, and this in turn supports them to improve their mental health. The project also teaches them about basic First Aid, leadership and teamwork.

Anjali used the knowledge she had learned through the CHSC to help her family and community cope with the lockdown. She went door to door, tackling the spread of misinformation about COVID-19 by sharing accurate information on how to stay safe. Butterflies’ staff admired her lack of fear and her boldness in the aftermath of her uncle’s death.

Anjali’s mum, Meera, says “Anjali has now started doing very well. She explains everything to others that they should not be afraid of the coronavirus. I feel happy that she helps others.”

For Anjali, the impact has been profound - “By being a member of CHSC the biggest change that occurred in me was that I can speak in front of everyone and can conduct meetings and can write about health sessions.”

“This is the change.”

“My uncle died. We all cried. We cried a lot. We were not even able to celebrate our festival of Diwali. Everyone cried a lot.”



ENGAGEMENT AND INCOME

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

Thanks to the amazing talent, energy, and kindness of our supporters we have been able to achieve a huge positive impact and continue our mission to help more individuals, families, and communities survive, adapt, and support each other during this global crisis and beyond. In 2020/21 we delivered an incredible Red Nose Day in extremely challenging conditions. We also expanded our year-round fundraising and engagement activity, with a growing focus on digital activities.

The UK public has supported us in more ways than ever before, and we are committed to continuing our journey to increase our engagement with audiences between our campaign periods, ensuring year-round income which in turn will continue to fund projects in communities across the UK and around the world. New year-round activity for Comic Relief this year included the launch of our first ever Christmas appeal, new digital engagement activities, and securing new partners for activations during campaign and beyond.

Highlights include:

PLASTIC-FREE NOSES

In 2020, children from Furlanesend Community Primary School in Cornwall publicly challenged us to make our Red Noses plastic-free. So that's what we did! In 2021, together with Sainsbury's, we launched our first ever 100% plastic-free Red Noses, made from bagasse, a natural by-product of sugarcane, the result of significant research and development in partnership with Sainsbury's and in recognition of the need to produce an eco-friendly alternative to the traditional Red Nose. We launched the new Noses in October 2020 with a virtual press conference with children from Furlanesend Community Primary School and a panel made up of Comic Relief Founder Richard Curtis, interim CEO Ruth Davison, scientist Liz Bonnin, and presenter Ore Oduba.

The new noses were a big hit with people across the country. The media launch of this story generated fantastic feedback and we had a great reaction from school kids, especially on the 'greenest' Red Nose ever!



RED NOSE DAY '21

By January 2021 the country was back in lockdown as COVID-19 continued to affect people all over the world. After months of lockdown we believed that we all needed a laugh more than ever - so when Red Nose Day returned on Friday 19th March, it felt incredibly important to have some fun whilst raising money to support people living incredibly tough lives.

Across the UK, people sprang into action, buying our new plastic-free Noses, supporting some of the nation's favourite faces as they took on epic challenges, and watching and giving on our night of unmissable TV in March. And on the day, we even saw children going to recently reopened schools dressed as superheroes.

Red Nose Day itself was broadcast live from BBC Elstree Centre, with our first live virtual audience. It featured hosts Alesha Dixon, David Tennant, Davina McCall, Paddy McGuinness, and Sir Lenny Henry.

Red Nose Day raised an amazing £61m with audiences enjoying a fantastic evening of top entertainment.

KEY RED NOSE DAY '21 HIGHLIGHTS

- This was the first Red Nose Day Night of TV (which will now return on an annual basis) to feature a reduced running time from 7-10pm on BBC One, followed by a brand new Prizeathon show featuring money-can't-buy experiences and prizes, which proved a great success.
- With a total peak audience of over 5 million that dominated its slot, the content across the night was well received, especially the 'Bond Meets Nan' sketch and a brilliant opener featuring the Vicar of Dibley lip-syncing her heart out to Lizzo. There was a unique mashup of Fleabag and Normal People; exclusive music from Justin Bieber; a historical version of Staged; fun sketches with Top Gear, Mary Berry and Jeff Goldblum; a huge classic car prize draw; and a special message from the HRH The Duke of Cambridge; as well as Comic Opera & the Marsh Family, showcasing both how to make high culture more accessible and putting talented and warm members of the public at the heart of our content. We also engaged a truly diverse range of talent across the entirety of our campaign.
- We had two incredible prizes during our Night of TV, with a classic car donated by CarFest raising over £900k. The Prizeathon hour-long show was hosted by Jason Manford and Amanda Holden and featured four exciting prizes donated by prize providers such as Mazda and Live Nation, raising over £850k.

- The 2021 BBC One documentary challenge saw 21-year-old racing driver Billy Monger take on a 140-mile ultra-triathlon of epic proportions. For a week in February 2021, Billy - a double-amputee who lost both legs in a horrific racing accident in 2017 - walked, kayaked and cycled his way from the Millennium Bridge in Gateshead across England, battling some brutal weather conditions on the way to completing the challenge in an emotionally charged final day at his home race circuit of Brands Hatch. The British public generously donated over £3m inspired by Billy, making the challenge the most successful in the last 9 years and one of the most successful of all time. This achievement was all the more special given the strict COVID-19 regulations under which the challenge was delivered.



- A brand-new venture for 2021, The Red Nose & Spoon Race placed our supporters at the heart of all aspects of a new challenge format. The race, produced in partnership with BBC One's The One Show, saw presenters Jermaine Jenas and Alex Scott lead teams from our funded projects in a 3-day endurance race. Despite being scaled back due to COVID-19 restrictions, the challenge raised over £865k and was featured on 9 episodes of The One Show - each watched by around 4 million viewers. The new format was a resounding success, and The One Show have already commissioned the 2022 edition of the challenge.
- As part of our commitment to modernise and update our appeal films, we committed to working with filmmakers and producers based in the countries where we fund work, and for local people and projects to lead their own stories in front of the camera. We were able to deliver strong new films from Kenya, India, and South Africa using entirely locally-based crews. From India, for example, we produced a film with a young girl, Anjali, who had been working through our funded partner Butterflies to educate her community about how to stay safe during the COVID-19 pandemic. In order to respond to COVID-19 and work remotely both safely and efficiently, we had to adapt our safe storytelling guidelines and safeguarding procedures. The lessons learned during 2021 are being used to improve our approach for the next campaign and beyond.
- During Red Nose Day '21, we reached 38 million people with Red Nose Day content on social media and gained 26,000 new followers. We had over 800,000 engagements (likes, comments, shares etc), giving us our highest engagement rate of the past three years.

Partnerships:

- In addition to our first plastic-free Nose, Sainsbury's launched an instore campaign supporting Red Nose Day, fronted by Mo Gilligan, Joe Lycett, Katherine Ryan, and Karim Zeroual. Customers could get involved by buying the Red Noses and merchandise, donating at the till or through Nectar, and by purchasing products from supporting brands including Walkers, Graze, Robinsons, Quakers and many more.
- Despite stores being closed, TK Maxx had a very successful merchandise campaign which saw an increase in their e-commerce and a campaign fronted by Olivia Colman, James McAvoy, and Sabrina Elba. Our special edition Charlie Mackesy t-shirts were a huge hit and sold out within days.
- Communities will be able to use early intervention and participation in the arts and comedy to have a positive effect on people's mental well-being, thanks to a new two-year, £2m partnership between Comic Relief and Walkers. Together we have launched a new mental health and well-being fund called The Smiles Fund, designed to support organisations working to reduce the stigma associated with poor mental wellbeing, as well as promote positive social connections and help people build resilience to tackle life's everyday challenges.
- We recognise that work is needed to help overcome the shame and stigma that can be wrongfully attached to maternal mental health issues in particular. Together with Maltesers, we have launched a new Maternal Mental Health campaign, to support mums' mental health, and to help all mums feel recognised, less alone, and supported.
- Maltesers #TheMasiveOvershare campaign encouraged the deliberate oversharing of the heavy stuff around new motherhood that is normally taboo, to break the silence and normalise mental health struggles for new mums. This campaign saw the highest volume of social conversation in Maltesers' history and saw 115k unique visits to the Maltesers Maternal Health page on comicroelief.com.
- As part of our ongoing partnership with Acast – the world's biggest podcast company – we teamed up to bring the UK's most popular podcasts together for a special one-off series, the Red Nose Day Podcast Mashup. In this unique audio crossover event, listeners were able to hear what happened when two of their favourite podcasts were mixed, mingled and mashed up to create new, hilarious shows like they'd never heard before. This was a fantastic opportunity to further our partnership with Acast, gain amazing reach, appeal to new audiences and test text-to-donate fundraising mechanics within podcasts for the first time. The podcasts had over half a million downloads, positive media coverage with a combined reach of over six million, and one of the episodes reached number three in the iTunes podcast charts.
- Our fantastic partnership with British Airways continued, despite challenges for the aviation industry. BA supported our Prizeathon with an all-inclusive holiday to St Lucia as well as the flights to Florida for the Universal prize.
- Together with KFC Foundation, we're helping to fund organisations in the UK that provide safe social spaces, mentoring, and work and life skills for young people. The KFC Foundation's first official partnership with us aims to raise £3m by 2023. KFC embraced our Funny Is Power theme wholeheartedly with 'This KFC Tastes Funny' campaign, donating 5p from every sharing bucket sold. They also created special limited-edition hats. Craig Revel Horwood swapped the dance floor for the KFC drive through as he 'fried' unsuspecting customers as part of KFC's 'Get Fried' activation to raise money for Red Nose Day.

OTHER RED NOSE DAY '21 HIGHLIGHTS IN BRIEF

- Audiences didn't only enjoy one night of TV on 19 March. Beyond that we delivered over 25 hours of additional TV coverage reaching a cumulative total of 66 million peak viewers across breakfast, daytime, early peak, primetime and late night.
- As well as Sir Lenny featuring on Later... With Jools Holland as the BBC2 switchover show, we had an archive-based show fronted by Rob Brydon which told the hilarious story of our music history. Plus, we worked with everyone from BBC Breakfast to The One Show, Saturday Kitchen Live to Gordon Ramsay's Bank Balance, The Apprentice, Ready Steady Cook, Bedtime Stories, and Blue Peter.
- The Lighthouse Charity, based in Belfast, supports those bereaved by suicide. We collaborated with BBC3 on "Roman Kemp – Our Silent Emergency" – an hour-long documentary exploring male suicide, during which Roman met four young men from The Lighthouse Charity who had recently lost their best friend to suicide. The collaboration gave us the opportunity to work on a long-form documentary which explored in depth an issue we fund, with the visit to Belfast forming one of the most powerful segments of the documentary, which received widespread acclaim.
- Beyond TV, radio and podcast audiences gave hugely generously in support of Red Nose Day. We worked with Radio 1, Radio 2 and Radio 4 on prizes and challenges to generate additional fundraising income, plus the hit podcast No Such Thing As A Fish which completed an unprecedented 24 hour podcast marathon for us with an incredible line-up of talent, with the Fish audience donating over £160k in just one day.
- Our Facebook audiences donated £85k using the platform's Donate functionality - £35k of which is from Red Nose Day Rave, a Facebook livestream of DJs from the Royal Albert Hall, fronted by Gok Wan. Billy Monger's challenge was a huge success on social media, and content supporting his challenge reached over 8 million people (21% of our total reach).
- The Share a Smile campaign aimed to get our supporters and their neighbours laughing, by sharing a joke in their window in the lead-up to Red Nose Day. Over 3 million posters were distributed to households and schools across the country, with some of the nation's favourite jokes getting put on display.

A SPECIAL THANK YOU TO PARTNERS AND FUNDRAISERS

A huge thank you to all the incredible fundraisers who supported our 2021 campaign. Across the UK, schools, nurseries, community groups, and families fundraised in all kinds of funny, safe, and inspiring ways. And of course, a huge heartfelt thank you to the millions of people who donated and supported the Red Nose Day Night of TV and throughout the campaign, proving that Funny really is Power, and making a difference to so many lives.

Red Nose Day would not have been possible without the amazing support of our fundraisers, trusts, foundations and corporate partners, including: Sainsbury's & Argos, TK Maxx & HomeSense, British Airways, GSK, KFC Foundation, Walkers, Premier League, Maltesers, Babybel, PayPal, AWS, Worldpay, Acast, DCMS, FCDO, Scottish Government, Bill & Melinda Gates Foundation, Paul Hamlyn Foundation, Jersey Overseas Aid, Esmee Fairbairn Foundation, National Lottery Community Fund, Clothworkers Foundation, National Emergency Trust, Ministry of Justice, and Founders Pledge.



COMIC RELIEF YEAR-ROUND

We are committed to expanding our year-round opportunities for engagement, so that we can continue to strengthen our relationships with our supporters and increase our income, to support the delivery of our Social Change Strategy.

In 2020/2021, we have continued to expand our activities and developed new initiatives with the help of our brilliant partners. Below are some of the highlights of this ongoing approach.

Christmas

Pantomime

At the end of 2020, on Christmas Eve, BBC2 raised the curtain on a special, virtual festive treat titled “Cinderella: A Comic Relief Pantomime for Christmas”. Adapted from an original script, the star-studded cast included Anya Taylor-Joy as Cinders herself, Regé-Jean Paige as Prince Charming, Olivia Colman as the Fairy Godmother, Daniel Craig as Wheezy Jeff, the unconvincing pantomime horse, Guz Khan as Buttons, Tom Hollander as Baron Hardup, Helena Bonham Carter as Lady Devilia, real-life sister and brother Daisy May and Charlie Cooper as The Evil Stepsisters, and many more. Artist Quentin Blake created a collection of original hand drawn illustrations to bring the panto to life, which were subsequently auctioned at Christies raising over £62k.



We produced two short appeal films that aired during the panto. One was UK-based and highlighted the work of our funded partner, FareShare, who help combat food waste and ensure it reaches the most in need. The other film spotlighted the work we do internationally to support refugees. We also created emotive photo montages featuring communities and project workers we support, which accompanied emotional musical performances from artists Leona Lewis and Sam Smith.

Love Actually

The Love Actually Christmas Quiz marks the first time we have tested a digital fundraising product outside of Red Nose Day, not only generating some great learnings but also over £18k in income too.

Christmas appeal

2020 saw us launch our first ever Christmas appeal. It took the form of an email and direct mail pack that we sent to nearly a quarter of a million people who had given to us in the previous two years. Our incredibly loyal supporters donated in excess of £60k in response.

Alexa, tell me about Comic Relief

Amazon Alexa users can now use their device to donate directly to Comic Relief. At the start of 2021, we launched our own Alexa Skill that can be adapted and used for all future campaigns, pushing a brand new innovative way to donate to us all year round. As well as having a broader skill command "Alexa, tell me about Comic Relief", we also adapted our skill for campaign with "Alexa, tell me about Red Nose Day". A set of interactive ads were created, voiced by the amazing Tom Allen, that were placed across Global Radio stations being played via Alexa smart speakers. These were played alongside normal ads but could be activated via a voice command. Once activated supporters were informed with information about us or given the option to ask Alexa to donate.

Sport Relief

Girls and young women will be supported to develop their leadership skills and deliver positive change for themselves and others thanks to Premier League Changemakers - a new jointly-funded partnership between Sport Relief and the Premier League.

APPROACH TO FUNDRAISING

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

Fundraising standards

We worked with one professional fundraising organisation in summer of 2021, to ask donors to Red Nose Day if they would like to set up a regular gift with us via Direct Debit. This was conducted by telephone, and we called donors who had opted in to be contacted by us in this way. Our partner is registered with the Fundraising Regulator and adheres to the Fundraising Promise.

We are consistently assessing and evaluating our processes and fundraising agreements to formalise and strengthen how we monitor our fundraising activities. We are proud of the rigour and support we provide to our fundraisers to ensure they have the necessary tools to execute their activity. Anyone that signs one of these agreements is monitored over the course of a campaign or activity and they are supported with their fundraising via a named account manager at Comic Relief. They are also provided with our fundraising 'Dos and Don'ts' which include information on the Fundraising Regulator. We follow a rigorous process where we work with commercial partners and we put in place and monitor commercial participator agreements. We are also a member of the Direct Marketing Association (DMA), the body responsible for driving high standards in direct marketing through self-regulation. As a member of the DMA we adhere to the Direct Marketing Code of Practice. This commitment to the highest standards of marketing and best practice, which includes recognising and taking care when dealing with children and vulnerable people, means that our advertising and marketing is responsible, reliable and respectful.

Safety during fundraising activities

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

We also regularly update our guidelines for fundraising and enjoying Red Noses safely, in line with COVID-19 government advice. This information can also be found on our website, and is sign-posted throughout our offline and digital fundraising materials.

Helping our supporters

Throughout 2020/21, we continued to let our supporters know that they could contact us by phone, email, or post if they ever had a query or needed guidance. As a result, we handled 7,595 enquiries from the public. These covered a wide range of topics, including planning and undertaking fundraising events in schools, workplaces and the community, questions about donations and Gift Aid, enquiries about our shop and merchandise range, as well as queries about the organisations and projects we fund.

Despite our best efforts, we do know we don't always get everything right and throughout the Red Nose Day campaign we addressed 333 complaints. We take every complaint we receive very seriously, and our aim is always for our supporters to have a high-quality experience with us. We acknowledge receipt of a complaint within two working days, then investigate and aim to advise of our findings within 30 days of acknowledgement.

We take great pride in listening to what our supporters have to say about us, whether negative or positive, as all feedback is key to us continuously improving our supporter care. We had no unresolved complaints and did not need to make referrals to the Fundraising Regulator.

FINANCE AND RESOURCES

The past 18 months have been extremely challenging for everyone in our country, UK charities and certainly Comic Relief.

We have had to continue operating with agility and decisiveness to deal with not only the multiple challenges facing the organisation but also to respond to the significant need around us.

Thanks to the UK public's generosity and our amazing partners we managed to maintain a strong level of fundraising income and we were able to translate that into impact in a time of great need.

The financial year was not only a year of dealing with challenges but also a year of transition and we prepared for it in a number of key areas (which we will expand on in the following sections):

Leadership and governance

The appointment of a new CEO and Executive Team meant that, together with the appointment of the new Chair in June 2020, there was a significant transition of key people during the year. This translated into new leadership styles, approaches and ways of working together with new ideas.

Ways of working

We took a decision to formally work remotely during the year but we spent a lot of time preparing our infrastructure, people and practice for the transition to hybrid working which is currently taking place in the next financial year.

People

There was a significant focus on investing in our people, culture, values, learning, and development during the year. We also continued to prioritise our efforts to become a more inclusive and diverse organisation. This will enable us to transition to the future type of culture and capability we will require.

Processes and systems

During the year there was an ongoing programme of work to refresh and improve our underlying systems and processes and to transition to a future fit, data driven, agile and efficient organisation.

Finance

Given the economic environment we delivered a good income performance during the year, particularly as we transition to a changed income mix and range of activity.

The organisation is more efficient and lean and we ended the financial year with a level of general reserves that will enable it to absorb changes to our business model, to invest which will act as a buffer to uncertainty.

FINANCIAL REVIEW

Each year the annual report and accounts present the position of the Group, set out in the consolidated balance sheet, and the results for the year, set out in the consolidated statement of financial activities. The consolidated statement of cash flows links the balance sheet with the financial activities to make up the primary statements. These primary statements are supported by the notes which give additional, more detailed information on certain key numbers. This section provides a narrative of the financial activities for the year, in support of those statements, which are presented on pages 72 to 103.

Our total income for the year was £74.1m compared to £78m in the previous year. This slight reduction in income reflects our one-off Big Night In Campaign that generated £28.4m in our previous financial year. This was largely compensated for by the fact that our Red Nose Day campaign generated greater income than Sport Relief 2020.

Our total expenditure was £86.2m compared to £105.6m in the previous year giving an in-year operating deficit of £12m (2020: operating deficit £27.5m). This represents a continued acceleration of the allocation of funds raised in prior years to ensure that we have delivered the maximum impact in challenging times. 85% of our total spend was on charitable activity with £71.7m (2020: £87.9m) spent on philanthropic investments and the cost of making those investments, and £1.5m (2020: £1.6m) on raising awareness, education, and social change. 15% of our total spend went on fundraising (2020: 15%). Total fundraising costs were £13m (2020: £16.1m). Net assets of the group at 31 July 2021 were £90.7m compared to £95.4m at 31 July 2020.

How the money is raised

Red Nose Day 2021 raised £61m thanks to generous donations from the public and their fundraising activities, and the continued support of our institutional and corporate partners. As highlighted earlier in this report, we also ran our first ever Christmas campaign together with our valued partners at Sainsbury's and the BBC which raised an amazing £2.4m.

We also generate income from investing the funds we have raised prior to them being distributed as funding to other organisations. This income contributes to funding our operating costs and allows us to give more money to good causes. In 2021, unrealised gains on our investments totalled £7.4m (2020: net loss of £9.3m) and income from dividends and interest was £1.2m (2020: £2.0m) giving a total return on our investment portfolio of £8.6m which is a 15% return against our target of 4.5%.

How the money is spent

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

In the last financial year, we have increased every £1 donated by the public to £1.96 through gift aid, partnerships and match-funding.

Over the last year for every £1 Comic Relief spent:

- 76 pence went to help thousands of vital projects supporting vulnerable people in the UK and internationally.
- 7.2 pence was spent ensuring that we allocate our funding as effectively as possible, ensuring it reaches amazing projects, and monitoring how it is spent.
- 1.8 pence on raising awareness of the work we support to tackle poverty and injustice.
- 15 pence was spent on raising even more money.

Staff costs is our largest operating expense, totalling £10.8m in 2021 (2020: £13.8m) excluding costs of redundancy in each period. This £3.1m reduction in cost is due to an organisational restructure which took place in the summer of 2020 to ensure that we continue to operate as efficiently as possible.

The Comic Relief group held total reserves amounting to £90.7m as at 31 July 2021 (2020: £95.4m), broken down into restricted, designated and other unrestricted funds as follows:

Restricted funds

Restricted funds (2021: (£105k); 2020: £9.2m) can only be used for purposes as specified by the donor. Individual funds can be in deficit because the costs are recognised in full when the award is made, whereas the related income is recognised only when Comic Relief is entitled to receive the funds from funding partners, which will typically be in stage payments over several years. This can result in negative balances on some funds which will be covered by future income received against those funds. Further details are given in note 19. Broadly the decrease is due to net timing differences of when funds are received and committed.

Unrestricted designated funds

At year-end an aggregate of £49.3m (2020: £50m) of unrestricted funds were designated for specific purposes by Trustees. £32.4m of funds were invested in the year and a further £31.4m were allocated for investment in future years. Total designated funds comprised:

- The Social Change Fund (previously the Grant Fund) £19.3m (2020: £23.2m). This Fund represents amounts designated by Trustees for philanthropic investments which have not yet been allocated to partners or designated for match funding.
- Match Funding Commitments £19.5m (2020: £16.1m). This represents funds that the Trustees have designated to co-fund programmes together with some of our key funding partners.
- Red Shed £7.7m (2020: £7.7m) represents net cumulative gains/losses on investments from previous years which are being used to fund new and innovative ways to support our mission and vision.
- Bill and Melinda Gates Foundation £2.2m (2020: £2.2m). This general operating grant has been designated to allow Comic Relief to explore new activities and opportunities.
- Fixed assets £0.5m (2020: £0.7m). This fund represents the net book value of fixed assets.

General fund

The remaining balance of unrestricted funds, the General Fund (2021: £41.5m; 2020: £36.2m), is monitored regularly by Trustees in accordance with their agreed reserves policy (shown below). The General Fund is used to cover all costs of the organisation that are not related to funding allocation or management. The Fund has experienced an increase this financial year primarily due to the gains on investment holdings of £8.4m.

Reserves policy

The General Fund is a reserve against which the net operating income or expenditure is charged. The Trustees have reviewed the reserves policy against the key organisational risks as presented in the risk section of this report. They considered a number of detailed scenarios and the key risks identified with respect to the reserves balance were identified as a drop in the value of our investment portfolio and the cancellation of our flagship fundraising event, Red Nose Day, due to unforeseen circumstances.

Given the currently high proportion of equities (70%) in our investment portfolio and the continuing uncertainty of COVID-19 restrictions and economic recovery on the fundraising landscape, the Trustees have made the decision to revise the policy. The target balance on the General Fund is therefore to retain a reserve of an amount equal to the sum of:

- Twelve months' operating costs; and
- 30% of the value of the investment portfolio.

At 31 July 2021 the General Fund balance was £41.5m (2020: £36.2m) against a target of £38m (2020: £18.8m). Given the current significant macro-economic uncertainties and income volatilities we are exposed to and the uncertainties posed by the fundraising environment we are comfortable and indeed see it as prudent that excess general funds to our target are held. The Trustees will continue to keep the level of reserves and reserves policy under regular review. Furthermore, with the significant social demands we are facing, once the organisational and social change strategies are agreed in the near future, Trustees will also look to use some of the reserves in excess of the target level to further our charitable purposes.

FIXED ASSET INVESTMENTS

Investments

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

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

Investment approach and policy

The overall objective of the investment policy is to maintain and grow the value of the portfolio. In addition, we aim to maximise the return from the portfolio but only within an acceptable level of risk and in accordance with our principles with respect to ethical investment. To make sure that our investments do not conflict with our Social Change Strategy, our investment policy prohibits investing in companies which manufacture armaments or tobacco products or whose primary business is adult entertainment, the manufacture of alcohol products, or the extraction or processing of fossil fuels.

In 2014 we signed up to the UN Principles for Responsible Investment (UNPRI), an international network of over 4,000 investors working towards putting environmental, social, and governance issues at the centre of their investing approach. In the 2021 self-assessment we achieved an overall Environmental Social and Governance (ESG) Quality Score of 7.1 which exceeds the peer median score of 5.9 and was above the median scores in all categories (Environmental, Social and Governance). Trustees delegated oversight and management to the Investment Advisory Group (which reports to the Finance and Fundraising Committee) for the investment portfolio and the Finance and Fundraising Committee for the cash portfolio.

Investment performance

The opening value of the investment portfolio was £49.6m. Divestment from the Charities Property Fund, that began in the last financial year, was completed in December 2020 with a final settlement of £22.2m. Funds from this divestment and existing cash in the portfolio were reinvested in purchases in Trojan Ethical Fund (£12.5m), Baillie Gifford Investment Funds (£4m) and Ownership Capital (£8m). The portfolio closing value was £57m. Interest and dividends from investments was £1.2m for the year to 31 July 2021 (2020: £2m). This was down from the prior year due to the sale of assets in our portfolio. The Trustees have adopted a nominal total return target of 4.5% after costs, annualised over a rolling five-year period. Based on figures independently calculated by our advisors, total returns over the last five years have been as follows:

	Actual Total Return (%)	Target Total Return (%)	Relative Performance (%)
1 Year to 31 July 2021	15.6	4.5	11.1
5 Years to 31 July 2021	10.4	4.5	5.9

GOING CONCERN

The Trustees have reviewed the level of reserves and available liquid resources in the context of operating and spending plans over the next 12 months, the five-year business plan, and the organisational risk assessment, including the impact of COVID-19. The Trustees consider 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 and that no material uncertainties exist. The following factors provide additional assurance of Comic Relief's going concern:

- Comic Relief has a diverse portfolio of income raised both through campaign and year-round fundraising. This has been further developed in the last financial year with the launch of new Christmas fundraising activities. Comic Relief has long established corporate partnerships who continue to support the charity and plans to strengthen those partnerships are being developed for 2022.
- During the prior financial year Comic Relief decided to make Red Nose Day an annual campaign with Sport Relief moving to an all-year round format. Historically Sport Relief years have generated less income than Red Nose Day years so this will both stabilise our year on year income and generate new opportunities to increase revenue.
- The Red Nose Day 2021 campaign was largely delivered during the period of UK COVID-19 restrictions that started in January 2021. Despite these challenges our full year income remains in line with the prior year, with engagement from the public, schools, and communities, demonstrating our resilience to future COVID-19 impacts. Furthermore, it is expected that the COVID-19 vaccination roll-out will have a positive impact on our traditional community and schools fundraising activities.
- In March 2020 Comic Relief divested part of the investment portfolio in order to limit our exposure to market movements going forward and to protect capital. Along with cash generating activities this means there is sufficient cash available throughout the year to meet our liabilities and a sufficient working capital base beyond the requirements of our cash policy.

- The expertise of Comic Relief's Investment Advisory Group has helped our investment portfolio to perform well within the year with unrealised gains of £7.4m. This is expected to continue into the next financial year with a targeted return of 4.5%.
- We ended the year above our target level of operational reserves, with the Board agreeing to holding additional reserves to weather the current significant macro-economic uncertainties that are arising from the ongoing COVID-19 pandemic.
- The cash position is strong and continues to be reported to the Board, including long term cashflow forecasts, and the Board receives appropriate financial reporting to enable Trustees to fulfil their responsibilities.

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

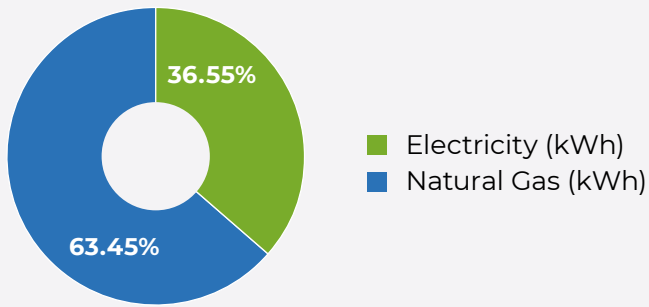
ENERGY AND CARBON USE

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

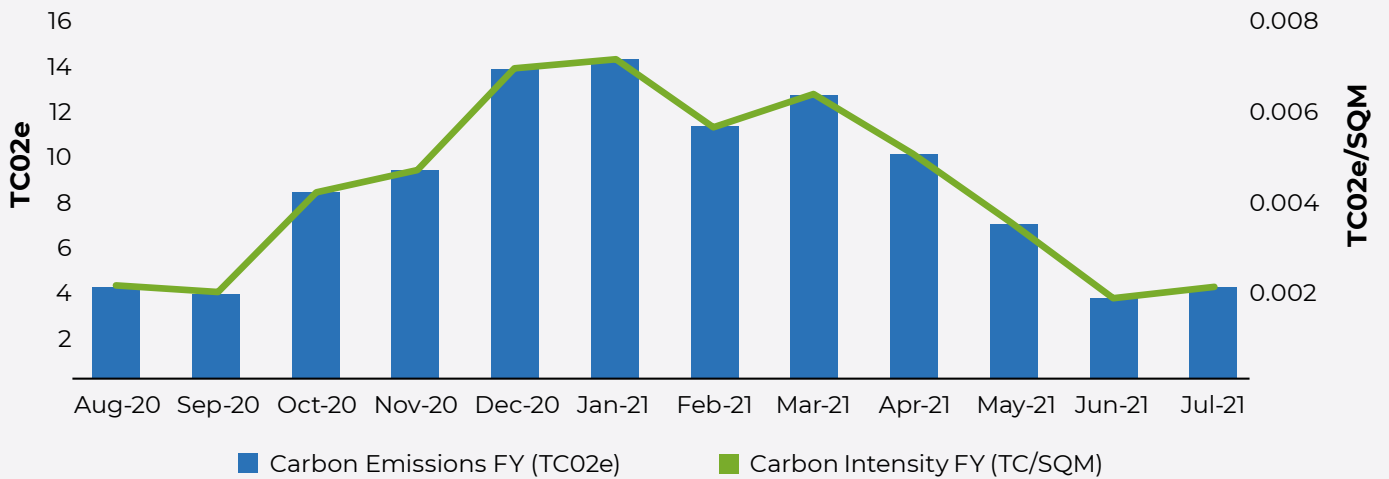
We are only reporting our office premises energy and carbon emissions, as this is the primary element of energy usage for the organisation. Due to various levels of lockdown and restrictions, the vast majority of staff worked remotely throughout the year and very limited travel within the UK took place. Given the reduction in office use our carbon emissions decreased from 113.6 TCO₂e in the prior financial year to 96.8 TCO₂e in the financial year under review. We will look to include work related travel should it increase in future reporting periods.

Energy Source	Consumption	Energy Intensity	Carbon Emissions	Carbon Intensity
Units	Consumption kWh	Consumption/SQM	TCO ₂ e	TCO ₂ e/SQM
Electricity (kWh)	153,019	77.4	35.38	0.0179
Natural Gas (kWh)	335,371	169.6	61.42	0.0310
Total	488,390	247	96.8	0.0489

Carbon emissions by energy source



Carbon emissions



Methodology and estimates

The methodology used to calculate total energy consumption has been extracted from information provided by our building management. Electricity has been calculated using sub-meter readings. Gas is supplied to the whole building and our calculation is estimated based on the % of space that we occupy. Energy and fuel consumption have been converted to carbon (TCO2e) using 2021 DEFRA published conversion factors. We used this information to subsequently calculate our carbon footprint. All our lights run on passive infrared sensors to ensure minimal electricity wastage. All energy consumption has decreased in 2020/21 compared to the 2019/2020 reporting year due to a reduced usage of our building and increased remote working.

REMUNERATION

Responsibility for overseeing our pay policy, setting CEO and Executive Director pay, and agreeing on the level of annual staff pay increases, lies with the Remuneration and Nominations Committee which has delegated responsibilities from the Board of Trustees. The Committee takes external benchmarking advice to inform its decisions. Meetings are held at least four times a year.

We are committed to the principle of equal opportunities and equal treatment for all employees. We are a Disability Confident employer, we have a clear policy for paying employees equally for the same or equivalent work, and have signed the pledge to Show the Salary for all advertised roles.

Our salaries are benchmarked against similar roles in other charities and relevant organisations. We do not pay bonuses. For all staff, including the CEO and Executive Directors, pay is reviewed on an annual basis and our salaries reflect the knowledge, skills, responsibilities, and attributes required for the performance of each position.

Ratios

We have actively tried to manage the differential of pay between the highest paid person and others. Our ratio of top pay to median pay is 3.7:1. This is at the lower end of the range of ratios for top charities (which range from 3:1 up to 9.3:1), with a charity sector average of 5:1 (based on a review of annual reports for the 12 largest charities and the NCVO UK Civil Society Almanac). The charities with the highest pay ratios are likely to have a retail side and more Living Wage employees.

All our staff are paid above the London Living Wage. We are proud to be a Living Wage employer and all our London-based staff are paid at least £10.85 per hour in line with guidance from the Living Wage Foundation.

Our ratio of top pay to lowest pay is 7.9:1 (2020: 7:1).

Gender pay gap

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women and the mean gender pay gap is the difference between the average hourly earnings of men and women.

At the snapshot date of 5 April 2021, our mean gender pay gap had increased from 0.63% in 2020 to 7.7% in 2021 and our median gender pay gap was 8.1% (2020: 6.9%). This increase is primarily due to the departure of a female CEO and their replacement with a male CEO but despite this the current pay gap is still significantly below the gap of 12.46% in 2019.

70% of our organisation is female, with a high female representation throughout the organisation particularly at the manager and head of department levels.

The pay quartiles by gender table below shows that across the lower, lower middle, and upper quartiles, there are proportionately more females than males in line with the overall makeup of the organisation. In the last 12 months, 32% of applicants who submitted a completed job application were male, and 56% women (with the remainder identifying as non-binary or choosing not to disclose their gender identity). Other than at the top of the organisation, this proportion is not reflected in the organisational make up, with a greater proportion of women in the lower and lower middle quartiles, and a greater proportion of men in the upper-middle quartile. Our Equality, Diversity & Inclusion (EDI) strategy aims to address all the areas of inequality across the organisation, so these matters will be considered as part of our response.

Quartile %	Males	Females
Upper	34	66
Upper middle	41	59
Lower middle	17	83
Lower	28	72

Ethnicity pay gap

We are measuring our ethnicity pay gap for the second time this year, ahead of any requirement or formal guidance on how to do so and are therefore using the same methodology we do for gender at the snapshot date of 5 April 2021. We will change this to align with any external standard approaches in future.

Some staff have chosen not to disclose their ethnicity so the data is representative only.

The ethnicity pay gap looks at the distribution of white employees compared with ethnic minority employees across all job levels. The pay quartiles by ethnicity table below shows the distribution of white and ethnic minority employees by quartile. Although efforts are needed to address the attraction of ethnic minority candidates, there is a 17% increase in the ethnic minority employees within the upper pay quartile.

Our mean ethnicity pay gap is 8.2% in favour of ethnic minority employees compared to 6.4% in favour of white employees in 2020. This is mainly due to new CEO and senior team recruitment. Our median ethnicity pay gap is 3.3% in favour of ethnic minority employees (compared to 3% in favour of white employees in 2020).

Quartiles %	White	Ethnic	Not Declared
Upper	57	33	10
Upper middle	76	20	4
Lower middle	70	22	8
Lower	68	30	2

RECRUITMENT AND RETENTION

We try to balance the expectations of our supporters and beneficiaries, who trust us to use their money effectively, with the requirement to recruit and retain the best people. We know that our staff are attracted to working for us because of the opportunity it gives them to have a positive impact on the lives of others. A key driver for attracting and retaining talent is our commitment to family-friendly policies and flexible working practices that help staff achieve a good work/life balance. Our investment in training, development and well-being is an added incentive.

Our application tracking system enhances our efforts to eliminate bias from the recruitment process as far as possible, through the use of role-specific selection criteria and name-blind shortlisting, and the provision of data that allows us to interrogate the stages of the process at which we are losing certain groups of candidates, and trends by department and seniority, and address accordingly.

RESOURCING

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

ENGAGEMENT AND WELLBEING

Staff engagement is very important to us. We conduct an annual staff and regular pulse surveys to get anonymous feedback from across the organisation and hold monthly staff and 'open house' meetings where staff set the agenda and ask questions of management. All employees are kept up to date on news and events through regular messages and updates on our internal network (Workplace) and monthly team meetings. Our CEO and Executive Directors have 'open door policies' to hear from staff directly, and Staff Voice sessions enable direct staff access to Trustees. We are continually looking for innovative ways to communicate with our staff in order to create a sustained culture of engagement and openness, and to flexibly collect employee feedback, helping us to drive strategic, tactical, and operational decisions based on data.

Challenges have been exacerbated by COVID-19 and the requirements to work at home for almost 18 months, with national lockdowns impacting relationship-building with new colleagues and limiting cross-organisational collaboration. Working at a distance was counter-cultural to the 'buzz' of a creative fun working environment the organisation has valued in the past.

Nevertheless, the organisation delivered a brilliant Red Nose Day and many of the improvements we embarked on to enhance our long-term sustainability and to improve people's experience at work, appear to have started to have impact. A Wellbeing Programme of events and services, policy changes, and ongoing support to promote everyone's health and wellbeing both inside and outside of work offered fun, inclusive team building opportunities, as well as providing skills, tips, and tools to better manage personal, physical, emotional, and financial wellbeing. A full refresh of all People Policies, which were subject to extensive consultation, contributed to increasing levels of trust and transparency. A mandatory, blended-learning, management development programme has been designed and launched, and forms one element of a significantly expanded Learning & Development (L&D) programme for all staff.

Our focus is to build an enabling and high-performing environment and infrastructure within which our strategic activity can take place. To achieve this, a co-ordinated set of prioritised projects designed to deliver greater efficiencies and agility in our operations and day to day working culture is underway.

Going forward we are keen to embrace hybrid working and while doing this well involves much more than staff working patterns, it is a critical aspect of it and we intend to give our staff as much control and flexibility as possible. There has been significant investment in the office space, technology, and in management skills relating to remote and hybrid teams.

DIVERSITY AND INCLUSION

We are strongly committed to attracting a wide range of diverse skills into the workplace and in 2020/21 launched our EDI strategy and recruited an EDI Manager to provide technical guidance to our D&I efforts. While we have a long way to go we are proud of achievements in this area which include a refreshed EDI Policy, the development of a toolkit to support managers and staff with integrating EDI discussions and considerations into their daily work and interactions, high visibility and frequent reporting against activities, and progress and the creation of several Employee Networks Groups. A newly formed EDI Steering Group, chaired by the CEO will ensure focus, momentum and adequate resourcing to further embed and extend our work in this area, as will the design and delivery of learning and development interventions including 'Inclusive Leadership', 'EDI Fundamentals (induction)' and 'Anti-racist practice'.

Our staff diversity in percentage terms on 31 July 2021 was as follows:

Gender		Ethnicity		Sexual Orientation		Disability	
Female	70%	White	65%	Heterosexual	78%	No	88%
Male	28%	Black	9%	Gay/Lesbian/ Bi-sexual/other	9%	Yes	6%
Not declared	2%	Asian	10%	Prefer not to say/ not declared	13%	Prefer not to say/ not declared	6%
		Mixed	5%				
		Other ethnicity	2%				
		Prefer not to say/ not declared	9%				

We have a strong commitment to developing the diversity of our staff through fair and open policies in recruitment and throughout the employee life cycle, training, and practical action. This includes encouraging applications from disabled people as well as people from varied socio-economic backgrounds. We take every reasonable measure to adapt practices, premises and working conditions so that all who work for us can access training and skills development opportunities. We provide line managers with development sessions about discrimination and equality, and make every effort not to discriminate, either directly or indirectly, on the grounds of nationality, ethnic or national origins, religion, gender, marital status, sexual orientation, disability, age, spent convictions, and membership or non-membership of a trade union.

GOVERNANCE

STRUCTURE AND OPERATIONS

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

- Charity Projects is a company limited by guarantee and a charity registered with the Charity Commission and Office of the Scottish Charity Regulator. Charitable activity is undertaken through this entity and Comic Relief is the operating name of this entity.
- Comic Relief Limited is a private company limited by shares and a wholly owned trading subsidiary.
- Brand Relief Limited is a private company limited by shares and wholly owned dormant subsidiary.
- Charity Projects is governed in accordance with its Articles of Association which set out the following charitable objects:
 - the relief of poverty;
 - the advancement of education by means of the encouragement of the arts for the public the provision of facilities for recreation or other leisure time occupations in the interests of social welfare provided that such facilities are for the public benefit; and
 - the promotion of any other charitable purpose for the benefit of the public.

Charity Projects is registered with the Office of the Scottish Charity Regulator (SC039730) and raises funds from our Scottish supporters and makes philanthropic investments to Scottish organisations. During the year under review £1.2m or 3.1% of our fundraised revenue was generated in Scotland and £2.6m (3.7%) of our new investments were made to Scottish organisations.

TRUSTEES

Ultimate control of Comic Relief is vested in the Trustees, who give their time, experience and expertise for free. For the period from 1 August 2020 and up to the date of signing the accounts, the following people served as Trustees:

Eric Salama

(Chair of Trustees)

Suzi Aplin

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

Dr Sue Black OBE

(Trustee and member of the Finance and Fundraising Committee since September 2021)

Fiona Campbell

(Trustee from 11 September 2020 and Chair of the Creative Advisory Group since September 2021)

Jenny Hodgson

(Trustee and Chair of the Social Impact Committee)

Matt Hyde OBE

(Trustee and Chair of the Audit and Risk Committee)

Saul Klein OBE

(Trustee)

Charlotte Moar

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

Rupert Morley

(Trustee, Chair of the Investment Advisory Group, member of the Remuneration and Nominations Committee until September 2021, Finance and Fundraising Committee, Chair and Director of Comic Relief Limited and member of the Social Impact Committee since September 2021)

Tessy Ojo CBE

(Trustee, member of Audit and Risk Committee until September 2021, member of Remuneration and Nominations Committee since September 2021, and Trustee responsible for Safeguarding)

Jacqueline Onalo

(Trustee, member of the Social Impact Committee until April 2021 and Chair of the Remuneration and Nominations Committee)

Gautam Raju

(Trustee and member of the Finance and Fundraising Committee)

Tom Shropshire

(Trustee, Senior Independent Trustee, Director of Comic Relief Limited, member of the Remuneration and Nominations Committee until June 2021.)

TRUSTEE LIABILITY

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

TRUSTEE TENURE AND CODE

New Trustees are selected and appointed by the Trustee Board through an open recruitment process taking into account the need to maintain an appropriate balance of skills, experience, and our commitment to EDI.

Trustees are given a comprehensive and tailored programme of induction which includes safeguarding training. Additional development and training is available when required and relevant.

In September 2016 a nine-year tenure limit was introduced for Trustees (three terms of three years following appropriate review and reappointment by the Board at the end of each term) and transitional arrangements agreed for all existing Trustees. This has allowed us to review the skills and expertise of the Board annually, enabling us to potentially recruit or reappoint as required.

Trustees consider the principles set out in the Charity Governance Code, refreshed at the end of 2020, when carrying out their duties. The Code is designed as a tool to support continuous improvement and we have prepared an evaluation, which Trustees and Comic Relief keep under regular review, of how Comic Relief apply the Code's principles and recommended practices. The evaluation shows that many of the Code's recommended good practices are applied. We aim to continually improve and therefore focus on the areas of the evaluation identifying where improvement and further implementation can occur.

GOVERNANCE CHANGES

Throughout the year we have implemented a number of changes to our governance framework in line with Charity Governance Code recommendations and best practice.

- The new Committee structure, embedded in the course of 2019/20, has been further strengthened throughout 2020/21, with regular Committee Chairs' meetings and reporting into the Board.
- New independent members were recruited to both the Remuneration and Nominations Committee and the Investment Advisory Group, further strengthening the wealth of talent and experience of both groups.
- An organisational scheme of delegation was reviewed and approved in principle by the Board with further revisions delegated to the Finance and Fundraising Committee.
- The Board approved an EDI strategy in July 2020. This is reflected in all the Chairs' work (for example, in Trustee and CEO recruitment, in Trustee Board Meetings and otherwise). This commitment continues to be a priority for us.
- In November 2020 the Board appointed a Senior Independent Trustee. Key responsibilities include working closely with the Chair and meeting at least annually with Trustees to review the Chair's performance and carrying out succession planning for the Chair's role.
- The Board undertook a Trustee Performance Review in May 2021, including a skills review. The process included a self-evaluation and 360 feedback leading into a review with the Chair. The Chair's evaluation was undertaken by the Senior Independent Trustee.
- During the year, Committees and the Advisory Group met regularly in accordance with the annual meeting schedule and annual schedules of work. The Committees and Advisory Group benefit from the specialist expertise of independent members selected to complement the skills and experience of Trustees.

During the past year and with the challenges brought about by the COVID-19 pandemic the Board met more frequently to discuss and make decisions in response to the rapidly changing environment and in relation to delivery of Red Nose Day.

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

The Trustees continue to be very grateful to all Committee and Advisory Group members for their advice, work and time committed during the year.

EXECUTIVE DIRECTORS

The Trustees delegate the day-to-day running of the charity to the CEO and the Executive Directors who are responsible for areas of the charity as listed below. The CEO reports to the Chair of Trustees. Key management personnel constitute the Trustees, Chief Executive, Executive Directors, the General Counsel and Company Secretary. For the period from 1 August 2020 and up to the date of signing this report, the following served as Executive Directors:

Samir Patel

Chief Executive Officer (started 8 March 2021)

Ruth Davison

Interim Chief Executive Officer
(left 31 March 2021)

Alex Botha

Chief Operating Officer

Fatima Ribeiro

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

Shabby Amini

Interim Executive Director of Fundraising and Creative (left 30 September 2020)

Aleema Shivji

Executive Director of Impact and Investment
(started 4 January 2021)

Harriet Jameson

Interim Executive Director of Impact and Investment (left 31 August 2020)

Sue Wicks

Interim Executive Director of Impact and Investment (started 7 September 2020, and left 8 January 2021)

Andrew Broadbent

Chief Technology Officer
(started 1 September 2020)

STAKEHOLDER CONSIDERATIONS

Background

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

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

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

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

Stakeholder group	Key considerations	How we engage
Funded partners	<p>Comic Relief delivers social impact predominantly through funding frontline organisations working to tackle poverty and injustice. Considerations in relation to our funded partners are:</p> <ul style="list-style-type: none"> ■ Ensuring we have transparent and effective application processes, clearly advertised to potential partners. ■ Ensuring clear and effective decision-making processes that include both staff and Board members to determine selection of partners. ■ Ensuring communication with, and requirements of, funded partners are reasonable and mutually beneficial. Clear criteria, guidance, and processes for applications published on our website. 	<p>Direct communication to all applicants to inform them of our decision.</p> <p>Detailed feedback to unsuccessful applicants.</p> <p>Clear Conditions of Funding to determine the parameters of the relationship with those who are funded by Comic Relief.</p> <p>Convening partners to learn and share with and from each other.</p> <p>Communication on our website and at sector events to demonstrate thought leadership and share our learning and expertise.</p> <p>Bi-annual survey to determine satisfaction levels with Comic Relief as a funder.</p>
Beneficiaries	<p>Ultimately Comic Relief exists to improve the lives of those facing poverty and injustice. As we are not an operational charity, our reach to beneficiaries is mainly via our funded partners</p> <p>Our key consideration in relation to beneficiaries is therefore how the priorities, voices, and perspectives of beneficiaries are heard in our decision-making about which partners we fund.</p> <p>We also consider part of the charity sector/ other funders/ civil society organisations/ schools and other groups as beneficiaries who we engage by providing evaluations, reports, and storytelling which share our learnings and experience with the wider sector.</p>	<p>We engage directly with beneficiaries of our work in two key ways:</p> <ul style="list-style-type: none"> ■ We ensure that our decision-making processes in relation to funded partners include those with direct lived experience of the issues we are seeking to address. ■ Meeting and interviewing individual beneficiaries as part of our storytelling, ensuring that they have agency over the way in which their story is captured and told. <p>For our broader beneficiaries our engagement is primarily through the Comic Relief website, sector conferences and fora, as well as through films and school packs.</p>

Stakeholder group	Key considerations	How we engage
BBC	<p>The BBC is our major broadcast partner and is central to our success providing us with a powerful platform, access to talent, and also incredible reach. Key considerations in relation to BBC are:</p> <ul style="list-style-type: none"> ■ Editorial impartiality and standards. ■ Relevance of our content to the BBC audience. ■ Specific reporting requirements of BBC Appeals Advisory Committee (AAC). ■ Exclusivity of content for BBC channels versus other broadcast or social media outlets. ■ Relationship with other BBC- supported charities, specifically BBC Children in Need and the Disasters Emergency Committee. 	<p>A senior BBC manager is appointed to our Board of Trustees to ensure that the BBC plays an active part in our governance.</p> <p>A regular annual meeting is held with a formal report produced for BBC AAC.</p> <p>There are strong and close working relationships between the Fundraising and Creative teams at Comic Relief and the production teams at BBC and BBC Studios as we co-create the annual campaign. Frequency of meetings varies through the year but during the peak period of January to March, these are weekly.</p>
Regulators	<p>Comic Relief strives to be best in class in terms of our compliance with all regulatory requirements and best practice guidance.</p>	<p>Timely submission of all required reports and paperwork.</p> <p>Proactive and open engagement with regulators when appropriate, including self-reporting.</p> <p>Prompt and comprehensive responses to all requests for information.</p>

The table below sets out the key decisions taken by the Comic Relief Board in 2020/21 and how the interests of our stakeholders and the wider factors set out in section 172 of the Companies Act 2006 were taken into account.

Decision	Narrative	Key considerations
Appointed Samir Patel as the new CEO.	Samir Patel was appointed end December 2020, due to his expertise and experience in digital and creative, as well as his commitment to expanding the diversity and inclusion in all areas of Comic Relief.	<p>Candidates needed to demonstrate that they had the following key skills and experience:</p> <ul style="list-style-type: none"> ■ A track record in agile innovation and doing things differently ■ An ability to inspire existing staff and recruit new types of talent into the organisation ■ An ability to promote the success of Comic Relief by managing diverse stakeholders including employees, funded partners, trusts and foundations, governments, NGOs, etc.
Appointed Tom Shropshire as Senior Independent Trustee.	To strengthen the governance of the Board and adopt best practice in line with the Charity Governance Code, Trustees decided to appoint a Senior Independent Trustee from the Board and they collectively agreed on the preferred candidate.	<p>Key responsibilities of the role are:</p> <ul style="list-style-type: none"> ■ Working closely with the Chair acting as a sounding board and providing support ■ Being available to Trustees to address any concerns or issues ■ Meeting with Trustees annually to review the Chair's performance ■ Carrying out succession planning for the Chair's role.
Agreed a set of strategic parameters.	To provide a clear framework within which organisational activities can be prioritised and within which the social change, fundraising and organisational strategies can be reviewed and updated during the next financial year, clear strategic parameters were discussed and agreed.	<p>Trustees looked at the long-term consequences of new strategic parameters:</p> <ul style="list-style-type: none"> ■ Ensuring that the Board, and Executive Team are aligned and delivering impact in line with our vision, mission and values. ■ Management of risk, including compliance, financial and reputational risk, as well as risk of failure. ■ How to effectively 'shift power' to give greater agency to those with direct lived experience of the issues we are seeking to address, whilst balancing the needs of our partners and regulators.

Decision	Narrative	Key considerations
<p>Review and agreement of an updated reserves policy, maintaining and expanding our unrestricted reserves.</p>	<p>Organisational reserves were considered against long-term financial pressures. These include changes to the organisational financial model, changes to income mix to less unrestricted income and ongoing cost pressure, coupled with the challenging macro-environment brought about by the COVID-19 pandemic.</p>	<ul style="list-style-type: none"> ■ Fundraising was impacted by COVID-19 throughout 2021 with income from corporates, schools and in-store merchandise greatly affected. ■ New income sources are being explored at the same time to reach different audiences. ■ Balancing the short and long-term financial health and resilience of the organisation against the immediate and future needs of beneficiaries.
<p>Re-investing of cash into our investment portfolio.</p>	<p>There was a substantial re-investment of cash generated by the selling of investments during the prior financial year into an ethical fund to generate further returns.</p>	<ul style="list-style-type: none"> ■ Balance of increased returns on investments against increased risk of investment. ■ Operating within the ESG parameters set-out in our investment policy.
<p>Maintained formal office closure and continued to work remotely across the year.</p>	<p>As a result of the ongoing uncertainty and potential health and wellbeing risks to staff and stakeholders and to provide operational clarity the organisation formally operated remotely during the financial year.</p>	<p>In line with the Board's responsibility, to look after the interests of employees, consideration was given to:</p> <ul style="list-style-type: none"> ■ Staff physical and mental wellbeing. ■ The need to provide operational certainty. ■ The ability to deliver plans and projects by doing so substantially remotely and within strict COVID-19 protocols.

KEY RISKS AND UNCERTAINTIES

RISK OVERVIEW

A big learning from the past 18 months is that no organisation can operate in a risk-free environment. Our vision of a Just World, Free from Poverty, requires us to take risks as we operate in complicated, inherently vulnerable, and hostile environments which present us with some difficult communication, security, logistical, and financial challenges. Also, we need to take some risks in order to take advantage of new opportunities.

We consider all types of risk, both internal (for instance, financial, operational, reputational, governance, and compliance) and external (such as political, environmental, social, technical, legal, and economic) when planning for the future. As we've seen with the COVID-19 pandemic, many external risks are outside our direct control, so our aim is always to mitigate the potential impact of risks arising or indeed to respond to any resulting opportunities.

We take risk management very seriously and have a clear framework in place alongside a suite of comprehensive policies. With the impact of COVID-19, increased regulation, and uncertainty due to Brexit, and the high expectations of our stakeholders, we know that we need to proactively anticipate risks and have effective and consistent mitigations in place.

RISK FRAMEWORK AND CONTROLS

Our operations depend on the effective management of risk while ensuring our organisational objectives are achieved. We have an embedded risk framework that works both "bottom-up" and "top-down". Throughout the year we hold risk discussions with Trustees, Executive Directors, and with representatives from each Directorate. These capture concerns and identify mitigating actions or controls to the risks that are highlighted. In addition, our wider assurance framework includes our incident reporting, counter fraud, bribery and corruption, management of complaints and grievances, safeguarding, and reporting concerns (whistleblowing) policies. Having these policies and other policies in place helps to identify risks as they are raised and to set out compliance with regulatory responsibilities.

OUR RISK MANAGEMENT PRINCIPLES

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

- All staff are responsible for understanding and complying with Comic Relief policies that are in place to mitigate risk to the organisation.
- Risk management awareness and training is provided to all staff, appropriate to their role and responsibility.
- Risk management is not a stand-alone activity that is separate from our main activities. It is part of our day-to-day work, embedded in key processes and decision-making points (e.g. business planning).

The approach to identifying and managing risks, including the use of common terminology, is consistently applied across the organisation. There is a defined risk management governance structure in place with clear accountabilities that support the direction and control of risk management across the organisation.

Directorates and teams are responsible for identifying, assessing, managing, and reporting their risks within their risk register and to the wider management team. In this way we are able to capture and mitigate risks as they are identified. Timely reporting and escalation of risk information supports management decision-making at relevant levels.

RISK APPETITE

Trustees and management have articulated a risk appetite statement which helps to frame and inform organisational risk management for staff and management:

Comic Relief has a bold vision, a passion, and eagerness to drive social change in innovative ways. This means that it generally operates with a medium to high-risk appetite in how it seeks to achieve impact and also in finding new and innovative ways of raising funds for our beneficiaries. We work with people across the world in poverty or where there is vulnerability, and to deliver our mission means we do have to take some risk, however, we seek to reduce to an absolute minimum the risk to the safety of our beneficiaries, employees, trustees, volunteers, contributors, and partners. Our appetite is low when considering compliance and regulatory matters, with a marginally higher risk appetite towards our strategic, reporting, and operational matters including our trust-based investment funding approach.

ROLES AND RESPONSIBILITIES

Our Board of Trustees is responsible for ensuring that we have robust and effective risk management processes and assurance functions in place. The Board assesses and agrees on the strategic risks and receives updates on how these risks are being managed, as well as reviewing any new significant risks at Board meetings throughout the year.

Committees, in particular Audit and Risk and Finance and Fundraising, provide the Board and Executive, with regular in-year review and oversight of risk, including operational risks. The Executive Directors review the corporate risks as part of wider strategic performance monitoring, taking collective responsibility for ensuring that risks are swiftly identified and effectively mitigated. Our wider management team brings together representatives from across the organisation with responsibility for risk management. This team shares best practice to ensure we have a consistent and joined-up approach.

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

HOW WE MANAGE OUR KEY RISKS AND UNCERTAINTIES

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

We recognise that the organisation is exposed to certain risks due to the nature of our activities and the environment in which we operate. We consider the following to be the key risks and uncertainties we face and we have outlined the steps we take to manage these. In particular, the risks relating to governance and management, representation, safeguarding, fraud, and reputation are ones we consider to be of lower probability but potential higher impact on the organisation.

Description of the risk	What we are doing about it
<p>Threats to Income</p> <p>The uncertainties created by the COVID-19 pandemic and posed by Brexit present a range of risks to income and potential for increased need.</p> <p>The shifting trends in how the public consume entertainment means a decline in linear TV viewing – the main platform on which we have historically communicated – and an increase in online activity, such as on-demand, non-scheduled TV, social media and YouTube. This brings with it a shift in public engagement and public income channels – presenting both opportunities and threats.</p>	<p>We are reviewing and refreshing our fundraising, social change and organisational strategies with work having started in the financial year under review and concluding in the next financial year.</p> <p>We are closely monitoring the impact of COVID-19 on our operations and the broader context in which we raise money and address need. We also continue to monitor the potential impact of Brexit especially on our day-to-day operations, contracts and supplies. The current uncertainty means we are paying special attention to our business model and financial planning.</p> <p>Our investment portfolio is continually monitored and kept under review. We continue to monitor the external economic landscape and look for ways to protect and optimise our different income streams. We take independent investment advice and all decisions are overseen by the Finance and Fundraising Committee. We have a strategy in place and continue to review how we are run, aiming to continue to develop the organisation to maximise its efficiency and effectiveness.</p> <p>Our Trustees and staff are constantly reviewing our communication and engagement strategy to ensure that we respond to changes in the media environment. By putting digital at the heart of everything we do – and making sure we are always innovating - our creative teams work to constantly reimagine our fundraising campaigns. This helps the brand stay relevant and exciting to our supporters, and we achieve cut-through in an increasingly competitive marketplace. We also work closely with the BBC to evolve different approaches to TV shows and other content, including digital, and we constantly review payment technologies, working with our partners to trial them as soon as they become available.</p>

Description of the risk	What we are doing about it
<p>Information (Cyber) security and protection and data management</p> <p>We are heavily reliant on data and robust and scalable systems and there is a risk of reputational damage, fines, and operational disruption if our systems or data is compromised. There is also a risk of a personal data breach occurring.</p> <p>There is a risk that if suitable data is not gathered or analysed appropriately that sub-optimal decisions will be made.</p>	<p>We established an Information Governance Steering Group, to oversee and direct our efforts in this area.</p> <p>We have a dedicated Technology function which has cyber security as a key area of focus and which ensure that a range of technical and user measures have been deployed and are constantly reviewed and regularly tested.</p> <p>Our Legal and Assurance Team also ensures we have a range of policies and procedures that cover information governance and security, including mandatory user training. We have comprehensive and regularly tested plans in place to deal with breaches should they occur.</p> <p>Reviews and audits of key areas to help identify improvements required are regularly undertaken and a review of our GDPR and data protection practices was undertaken by internal audit this year and a specialised IT security audit will be undertaken during the coming financial year.</p>
<p>People and wellbeing</p> <p>There is a risk to staff morale and mental wellbeing brought about by the long-term changes to our ways of working due to the COVID-19 pandemic and the changes the organisation is going through.</p> <p>Our people are our greatest asset; if we fail to attract, engage, and retain the best staff, it reduces our ability to deliver successful outcomes.</p>	<p>We were quick to react to the COVID-19 pandemic and have tried to be very supportive to staff. This included being flexible in working arrangements and hours; providing equipment for home-working when requested; and organising a safe, secure space to work in the office for those unable to work from home or for whom working from home was impacting their mental wellbeing.</p> <p>We have clarified accountabilities across our wider management team. This alongside greater empowerment means that we have suitable checks and balances in place to effectively and transparently run the organisation. We believe it will ensure greater managerial resilience and aid succession planning.</p> <p>We continue to invest in our people. We provide learning and development opportunities, benchmark our benefits, and engage with staff through regular all staff meetings and surveys.</p> <p>The wellbeing of our staff is important to enable them to continue doing their job successfully. We have signed up to the Time to Change pledge, and we have Mental Health First Aiders in place.</p>



Description of the risk	What we are doing about it
<p>Governance and management</p> <p>Ensuring there is robust oversight and governance of the organisation is imperative to allow us to deliver our mission and achieve success and sustainability.</p> <p>The transition of CEO and Chair and a change in Trustee composition of the Board and the Executive Directors could result in uncertainty in the organisation and a potential misalignment in and between key governance and management groups.</p>	<p>We have a robust and comprehensive Governance and Assurance framework in place that sets out key governance activities clearly. Oversight is provided through mechanisms such as Board, Committees, and the Executive Directors, and we have dedicated Trustees for key functions of the organisation. We have policies and an organisational structure in place to ensure strong governance and clear roles and responsibilities for Trustees, management and staff. This ensures robust succession planning in key managerial and Trustee positions.</p>
<p>Trust and reputational damage</p> <p>The charity sector has witnessed a decline of public trust in charities and a decline in support for overseas charitable development. We are not complacent about our reputation and the level of trust people have invested in us. We recognise that there is a risk that our reputation could be damaged which can result in a range of issues including income reduction and operational disruption.</p>	<p>Transparency and accountability are central to all our external interactions, and we pay close attention to sector guidance and regulatory developments. We welcome questions, challenge, and scrutiny. We are investing in telling the story of the progress being made as a result of our funding and philanthropic investments to demonstrate positive impacts and the need to keep on giving. We take a proactive approach to reputation management and our Crisis Management Plan is there if needed. We can be confident in our own activities and their impact, as we have good oversight of our UK and international funding through our processes and Committees. We continually monitor our philanthropic investments so we can identify any potentially critical issues related to the projects we fund.</p>
<p>Representation</p> <p>Our values must be consistent and lead how we portray the partners we work with. There is a risk that we could suffer reputational damage if we do not represent our partners in a positive and fair light whilst understanding the impact of our decisions about how we portray people.</p>	<p>We continue to evolve how best to portray our partners and their work. We encourage feedback from our supporters, fundraisers, and the public to help us keep on track and to enable us to demonstrate our work and impact in a transparent way.</p> <p>Telling compelling stories about the impact our funding is a critical part of our work. Our Safe Story Telling Guidelines help ensure that the safety, dignity and welfare of contributors is always at the heart of this work.</p> <p>Our representation guidelines set out how we strive to represent the people we work with, ensuring they recognise themselves in our work and tell their own stories.</p>

Description of the risk	What we are doing about it
<p>Safeguarding</p> <p>There is a risk of harm and reputational damage if we don't fulfil our duty of care to the people we work with – including staff, supporters, and beneficiaries of our philanthropic investment activity.</p>	<p>Safeguarding is a critical area of oversight for our Board and specifically Audit and Risk Committee. A deep dive of our organisational practices in this area was undertaken during the year to assess our practices and identify areas where our practice and approach can be refined.</p> <p>We have a dedicated Safeguarding function within the Legal and Assurance Team, to ensure that the safety of our beneficiaries, staff, and others connected with our work is at the heart of everything we do. We also have a safeguarding lead Trustee. Our comprehensive safeguarding policy and framework, approved at Board level and independently reviewed by an expert, sets out measures to prevent harm, abuse, and exploitation across all aspects of our operations, from our philanthropic investments to our visual storytelling and our fundraising. We work closely with our partners to strengthen safeguarding within their operations as well as convening other funders to build greater collaboration to strengthen safeguarding across the sector. We quickly investigate any reported incidents by examining the circumstances and taking the necessary proportionate and appropriate action to ensure the safety of our beneficiaries, staff, and others connected with our work. We undertake safeguarding training so that all staff, contractors, and Trustees understand what safeguarding is, the safeguarding framework we have put in place and how to report any concerns. Also, all staff, contractors and Trustees sign a Safeguarding Code of Conduct which sets out the standards and behaviours we expect.</p>

Description of the risk	What we are doing about it
<p>Fraud</p> <p>There is a risk that money donated to us, directly or by partners who receive investments from us, is misappropriated or misused.</p>	<p>Our most significant area of fraud risk is in our philanthropic investments and we recognise that we fund work in some of the world's most challenging environments. To combat this, we conduct due diligence on all funding applications to ensure that organisations have proper controls, oversight and staff skills to manage funds.</p> <p>We then monitor these investments throughout the life of the funding award in the form of six monthly and annual reporting, and proactive random checks.</p> <p>Due to COVID-19 our ability to carry out physical visits has been impacted; we have replaced these with virtual visits. Longer-term, we are considering alternative options. All our staff are given specific fraud awareness training. If problems do arise, we have a Legal and Assurance Team to manage investigations and mitigate loss.</p> <p>To facilitate easy reporting of concerns we have both internal and external Reporting Concerns processes which allow for anonymous reports where necessary.</p> <p>In 2020/21 the amount at risk from cases opened in that period was £23k, of this amount £10k has been recovered. During this period one Serious Incident Report (SIR) was submitted to charity regulators. We continue to seek recovery of funds in active cases arising in previous years.</p> <p>Regular penetration and performance testing of our donations platform ensures a high level of confidence in our ability to transact donations in a secure and seamless fashion.</p> <p>We are continually strengthening our internal control framework, and our internal audit function tests these controls and reports to management, the Audit and Risk Committee and the Board. Any recommendations for improvements are implemented in a timely manner.</p>

PUBLIC BENEFIT AND STRATEGIC REPORT

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report, incorporating the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are

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

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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

The Trustees' report, incorporating the Strategic Report, on pages 1 – 66 was approved by the Board and signed on its behalf on 1 December 2021.



Charlotte Moar

REFERENCE AND ADMINISTRATIVE DETAILS

Chief Executive Officer

Samir Patel

Company Secretary

Alex Botha

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Linklaters LLP
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Company Numbers

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Comic Relief Ltd: 01967154
Brand Relief Ltd: 06808703

Charity Numbers

Charity Projects: 326568
(England and Wales)
SC039730 (Scotland)

INDEPENDENT AUDITOR'S REPORT

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 July 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Charity Projects ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 July 2021 which comprise the Consolidated statement of financial activities, the Balance sheets (consolidated and parent), the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charitable Company and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006, Charities Act 2011 and relevant tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

We identified the following areas as those most likely to have such an effect: Employment Law, Health & Safety Legislation and Data Protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussions with management, including consideration of any performance incentives and remuneration arrangements, known or suspected instances of non-compliance with laws and regulations and fraud;

- Reading minutes of meetings of those charged with governance; internal audit reports, reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing items included in the Group's fraud and theft database as well as the results of internal audit's investigation into these matters;
- Assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiries as to whether there have been any serious incident reports or correspondence with the Charity Regulators and reviewing and assessing the impact of any reports or correspondence;
- Review of a sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- Challenging assumptions made by management in their significant accounting estimates in particular the valuation of the Gift Aid accrual, valuation of gifts in kind and valuation of social investments;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments in particular any journals posted by senior management; and
- In addressing the risk of fraud in income recognition we considered management's incentives and opportunities for fraudulent manipulation of the financial statements and designed specific audit tests to respond to this risk, in particular, tests to address the completeness of income risk.

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

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Heather Wheelhouse

Heather Wheelhouse
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
statutory auditor London, UK

Date: 17 December 2021

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating a Consolidated income and expenditure account)
for the year ended 31 July 2021

		2021		
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:				
Donations and legacies	(2)	35,369	30,559	65,928
Trading activities	(2/3)	6,871	57	6,928
Investments	(2/4)	1,223	-	1,223
Total Income	(2)	43,463	30,616	74,079
Expenditure on:				
Raising funds		12,911	56	12,967
Charitable activities				
Tackling poverty and social injustice:				
UK		20,633	24,555	45,188
International		11,595	14,929	26,524
Global awareness, education and social change		1,518	-	1,518
		33,746	39,484	73,230
Total Expenditure	(5a)	46,657	39,540	86,197
Operating (Deficit)/Surplus		(3,194)	(8,924)	(12,118)
Gains/(losses) on investments	(4/12)	7,432	-	7,432
Net Income/(Expenditure)		4,238	(8,924)	(4,686)
Transfers between funds	(18/19)	415	(415)	-
Net movement in funds		4,653	(9,339)	(4,686)
Funds brought forward at 1 August 2020	(18/19)	86,172	9,234	95,406
Funds carried forward at 31 July 2021	(18/19)	90,825	(105)	90,720

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
(incorporating a Consolidated income and expenditure account)
for the year ended 31 July 2020

		2020		
		Unrestricted	Restricted	Total
		Funds	Funds	Funds
	Notes	£'000	£'000	£'000
Income from:				
Donations and legacies	(2)	19,669	51,235	70,904
Trading activities	(2/3)	4,472	701	5,173
Investments	(2/4)	1,952	-	1,952
Total Income	(2)	26,093	51,936	78,029
Expenditure on:				
Raising funds		15,652	430	16,082
Charitable activities				
Tackling poverty and social injustice:				
UK		18,677	27,688	46,365
International		26,863	14,646	41,509
Global awareness, education and social change		1,565	31	1,596
		47,105	42,365	89,470
Total Expenditure	(5a)	62,757	42,795	105,552
Operating (Deficit)/Surplus		(36,664)	9,141	(27,523)
Gains/(losses) on investments	(4/12)	(9,253)	-	(9,253)
Net Income/(Expenditure)		(45,917)	9,141	(36,776)
Transfers between funds	(18/19)	(39)	39	-
Net movement in funds		(45,956)	9,180	(36,776)
Funds brought forward at 1 August 2019	(18/19)	132,128	54	132,182
Funds carried forward at 31 July 2020	(18/19)	86,172	9,234	95,406

All amounts relate to the continuing activities of the group. The reference to the notes, which form part of these financial statements, is shown on each line as appropriate. The notes are shown on pages 77 to 103.

The group has taken advantage of the exemption under s408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the charity. The net expenditure for Charity Projects in the year was £4.7m (2020: £36.8m).

CONSOLIDATED BALANCE SHEET (Charity Projects company number 01806414)

As at 31 July 2021

		2021		2020	
	Notes	Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Intangible assets	(10)	136	-	172	1
Tangible assets	(11)	362	362	557	557
Investments	(12a)	56,992	56,992	49,560	49,560
Social investments	(1d)	1,209	1,209	1,322	1,322
		58,699	58,563	51,611	51,440
Current assets					
Inventory		-	-	65	-
Debtors	(13)	22,000	25,115	20,063	26,569
Cash at bank and in hand		96,425	93,215	114,831	107,649
		118,425	118,330	134,959	134,218
Current liabilities					
Provisions	(15)	(491)	(491)	(1,156)	(1,156)
Creditors: amounts falling due within one year	(14a)	(55,960)	(55,879)	(53,469)	(52,707)
		(56,451)	(56,370)	(54,625)	(53,863)
Net current assets		61,974	61,960	80,334	80,355
Total assets less current liabilities		120,673	120,523	131,945	131,795
Creditors: amounts falling due after more than one year	(14b)	(29,953)	(29,953)	(36,539)	(36,539)
Net assets	(17)	90,720	90,570	95,406	95,256
Funds					
<i>Unrestricted funds</i>					
Designated funds	(18)	49,274	49,228	49,955	48,210
General fund	(18)	41,551	41,447	36,217	37,812
Total unrestricted funds		90,825	90,675	86,172	86,022
<i>Restricted funds</i>	(19)	(105)	(105)	9,234	9,234
Total funds		90,720	90,570	95,406	95,256

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

Eric Salama
Chair of Trustees

1 December 2021

Charlotte Moar
Treasurer

1 December 2021

The notes on pages 77 to 103 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(19,589)	(15,496)
Cash flows from investing activities:			
Dividends and interest	(4)	1,223	1,952
Purchase of tangible fixed assets	(11)	(31)	(396)
Purchase of intangible fixed assets	(10)	(10)	(8)
Net proceeds from sale / purchase of fixed asset investments	(12b)	-	78,296
Net cash provided by investing activities		1,182	79,844
Change in cash and cash equivalents in the reporting period	B	(18,406)	64,348
Cash and cash equivalents at 1 August		114,831	50,483
Cash and cash equivalents at 31 July		96,425	114,831
A. Reconciliation of net expenditure to net cash flow used in operating activities			
Net expenditure for the reporting period		(4,686)	(36,776)
Adjustments for:			
Depreciation and amortisation charges	(5a)	271	210
(Gains)/losses on investments	(12)	(7,432)	9,281
Dividends and interest	(4)	(1,223)	(1,952)
(Increase)/decrease in debtors	(10)	(1,824)	20,901
Decrease in creditors	(14)	(4,760)	(7,095)
Decrease/(increase) in inventory	(14)/(15)	65	(65)
Net cash used in operating activities		(19,589)	(15,496)

The charity held no borrowings, related derivatives or obligations under finance leases during the year and therefore a net debt reconciliation is not provided.

B. Analysis of cash and cash equivalents

	At 1 Aug 2020	Movement	At 31 July 2021
Cash at bank and in hand	114,831	(18,406)	96,425
Total cash and cash equivalents	114,831	(18,406)	96,425

The notes on pages 77 to 103 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies

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

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, Financial Reporting Standard 102 (FRS 102), the Charities SORP (FRS102) Second Edition applicable to charities preparing their accounts in accordance with FRS 102 and UK Generally Accepted Practice as it applies from 1 January 2019.

Going Concern

The accounting policies below have been adopted for material items. No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the trustees. The considerations made in this assertion include review of the current and future operations and plans of the Group, review of our cash and investment holdings and review of our reserves levels.

The diversity of the charity's income portfolio and the success of the Red Nose Day 21 campaign, largely run during the 2021 nationwide lockdown, gives assurance on the charity's ongoing ability to raise funds. The charity's Sport Relief brand moving to an all-year-round format rather than a biennial telethon, Red Nose Day is becoming an annual event and expansion of year-round fundraising and engagement activity, with a growing focus on digital activities all further strengthen the future income of the charity.

Cashflow has been forecast based on historic trends in income as well as future plans and the charity's multi-year funding awards model. The charity has sufficient cash available throughout the year to meet its liabilities and sufficient cash available to provide working capital for all the group's activities.

The Group has sufficient cash and resources to remain a going concern for at least 12 months from the date that these accounts are approved and authorised.

b) Consolidation

These financial statements represent the consolidated results and net assets of Charity Projects and its subsidiaries up to 31 July 2021. All members of the Charity Projects Group are listed on page 95.

The charity has taken advantage of the exemption in S408 of the Companies Act 2006 not to publish a charity only Income and Expenditure Account. The net expenditure of the charity for the financial year was £4.7m (2020: £36.8m).

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

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

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

1. Accounting policies (continued)

Gift aid accrual

At year end unclaimed gift aid income related to in-year and prior year income has been accrued based on estimates using our donations records and knowledge of historical conversion rates.

Dilapidations provision

The provision for dilapidations is based on professional estimates for the work that would be required to restore the property to its original state as required by the lease.

Donated goods and services

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

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

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

Grant liabilities

Grant liabilities are initially recognised at the amounts awarded and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. In the current and previous year the impact of discounting has not been material and therefore has not been applied.

Carrying value of social investments

Social investments are programme related investments valued at a cash basis less provision for doubtful debt. Management reviews the portfolio twice a year to determine whether these investments are recoverable or need providing for.

Support costs

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

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

1. Accounting policies (continued)

d) Financial instruments

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

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

Social investments are programme related investments valued at a cash basis less provision for doubtful debt. Red Shed has an investment portfolio of £3.4m with an amount drawn down to date of £1.2m (2020: £1.3m).

e) Fixed assets

Intangible fixed assets

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

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

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

Tangible fixed assets

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

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

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

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

1. Accounting policies (continued)

f) Cash

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

g) Debtors/Creditors

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

h) Income

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

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

Grant income is recognised in the statement of financial activities in the year in which this becomes receivable and when any conditions for receipt have been met.

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

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

Income from licensing, events, trading activities and sponsorship is recognised in the period in which the event or campaign occurs.

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

i) Expenditure

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

Expenditure on raising funds comprises the costs of generating voluntary income (primarily fundraising and event costs), trading and other costs associated with the expenditure of the charity's trading subsidiaries, and investment management fees.

Charitable activities represents the grants (referred to as 'philanthropic investments' in the Annual Report) awarded, staff and other direct costs associated with grant making and awareness raising activities including international poverty, fair trade campaigns and education projects.

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

Governance comprises costs in relation to statutory and regulatory compliance.

1. Accounting policies (continued)

j) Grants payable

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

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

k) Operating leases

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

l) General fund

The general fund is used to cover fundraising and running costs in the year. Income that is credited to this fund includes sponsorship and corporate support, Gift Aid, investment income and gains / losses, interest and unrestricted donations.

m) Designated funds

These unrestricted funds have been designated by the trustees for specific purposes and are listed in note 18.

n) Restricted funds

These funds can only be used for purposes as specified by the donor and are listed in note 19.

o) 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.

p) Irrecoverable VAT

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

q) Inventories

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

r) Funds held on behalf of third parties

Joint activities were undertaken in the 2019/20 Financial Year with BBC Children in Need for the Big Night In campaign. We have recognised our share of income, expenditure, assets and liabilities in line with the agreement.

2. Total Income - Group

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Donations and legacies					
Fundraising events		31,547	7,136	38,683	48,436
Grant income	(2a)	341	22,988	23,329	18,939
Other donations		32	-	32	36
Gift Aid		3,306	435	3,741	3,413
Contributions to operating costs		143	-	143	80
		35,369	30,559	65,928	70,904
Trading activities					
Trading income	(3)	6,871	57	6,928	5,173
Investment income	(4)	1,223	-	1,223	1,952
		43,463	30,616	74,079	78,029

Fundraising events include income raised through our campaigns. During 2021 we held Red Nose Day as our main campaign whereas 2020, the comparative period, was a Sport Relief year. Unique to 2020 was our Big Night In fundraiser in response to the COVID-19 pandemic with income for Comic Relief of £28.4m, of which £27m was recognised in 2020, with remaining £1.4m recognised in 2021. All income for Big Night In was restricted. Due to the substantial difference in annual income profiles between campaigns, comparisons may not always prove useful.

Trading activities comprise the turnover of Comic Relief Limited, a trading subsidiary of Charity Projects, less any intercompany charges eliminated on consolidation. Trading income consists of income from merchandising and royalties of £4.8m, (2020: £3.0m), and income of £2.1m (2020: £2.2m) from licensing activities and sponsorship.

Brand Relief Limited had no trading activity in the year (2020: nil turnover).

2. (a) Grant Income

Grant income was comprised of:

Name of funder	2021			2020		
	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Big Lottery	-	275	275	-	-	-
Department for Digital, Culture, Media & Sport	-	7,683	7,683	-	9,024	9,024
Esmeé Fairbairn Foundation	-	1,381	1,381	-	-	-
Foreign, Commonwealth & Development Office (FCDO)	-	4,244	4,244	-	4,304	4,304
Founder's pledge	-	250	250	-	-	-
Government Grant - Furlough	41	-	41	148	-	148
Greater London Authority Mayors Fund	-	525	525	-	483	483
Ministry of Justice	-	1,588	1,588	-	-	-
National Emergencies Trust	-	2,049	2,049	-	2,750	2,750
Prince of Wales Charitable Fund	-	38	38	-	-	-
Scottish Government	-	592	592	-	250	250
International	-	-	-	-	150	150
The Bill and Melinda Gates Foundation	-	1,543	1,543	1,444	-	1,444
The Clothworkers Foundation	-	200	200	-	-	-
The Paul Hamlyn Foundation	-	496	496	-	400	400
The Queen Elizabeth Diamond Jubilee Trust	-	-	-	-	(57)	(57)
World Bank	-	2,159	2,159	-	-	-
Other Funders	300	(35)	265	-	43	43
Total grant income	341	22,988	23,329	1,592	17,347	18,939

3. Comic Relief Limited and Brand Relief Limited

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

	Total 2021 £'000	Total 2020 £'000
Turnover	6,938	5,536
Overhead expenditure	(1,491)	(1,812)
Operating profit	5,447	3,724
Interest receivable	1	7
Profit on ordinary activities before taxation	5,448	3,731
Taxation	-	-
Retained profit for the year after taxation	5,448	3,731
Qualifying charitable donation	(5,448)	(3,731)
Current year tax credit	-	-
Change in shareholders' funds	-	-
Assets and liabilities	2021	2020
	£'000	£'000
Intangible fixed assets	136	171
Current assets	6,794	9,759
Current liabilities	(6,780)	(9,780)
Net current assets/(liabilities)	14	(21)
Net assets	150	150

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

4. Investment income - Group

	2021	2020
	£'000	£'000
Dividends	1,058	1,292
Other interest receivable	165	660
Gross investment income	1,223	1,952

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

a) Investment portfolio

Dividends	1,058	1,292
Gains/(losses) on investments	7,432	(9,253)
Gross investment return	8,490	(7,961)
Less portfolio management costs	(321)	(645)
Net investment return	8,169	(8,606)

b) Income from cash holdings

	2021	2020
	£'000	£'000
Interest receivable	165	660
Less cash management charges	(6)	-
Net return from cash holdings	159	660

5. (a) Analysis of expenditure - Group

	Grant Costs (note 6) £'000	Staff Costs (note 7) £'000	Support Costs (note 5b) £'000	Other Direct Costs £'000	2021 Total £'000	2020 Total £'000
Expenditure on raising funds						
Costs of generating donations and legacies	-	5,720	1,898	3,510	11,128	13,580
Fundraising trading and other costs	-	749	233	536	1,518	1,857
Investment management costs	-	-	321	-	321	645
	-	6,469	2,452	4,046	12,967	16,082
Charitable activities						
Tackling poverty and social injustice:						
UK	41,558	1,935	608	1,087	45,188	46,365
International	24,242	1,216	382	684	26,524	41,509
Global awareness, education and social change	-	1,146	372	-	1,518	1,596
	65,800	4,297	1,362	1,771	73,230	89,470
Total expenditure	65,800	10,766	3,814	5,817	86,197	105,552

	2021 £'000	2020 £'000
Expenditure includes:		
Auditor's remuneration: audit of these financial statements - charity	47	44
prior year additional fees	-	20
Amounts receivable by auditors and their associates in respect of:		
■ Audit of financial statements of subsidiaries pursuant to legislation	20	23
■ Other services relating to taxation	23	7
■ Other financial services	7	-
Operating lease rentals - land and buildings, and other	774	560
Depreciation and amortisation	271	210
Governance costs	150	184

5. (b) Analysis of support costs - Group

	Premises £'000	Depreciation £'000	IT & Office £'000	HR, finance & management £'000	2021 Total £'000	2020 Total £'000
Costs of raising funds						
Costs of generating donations and legacies	621	147	622	508	1,898	1,971
Fundraising, trading and other costs	76	19	76	62	233	149
Investment management costs	-	-	-	321	321	645
	697	166	698	891	2,452	2,765
Charitable activities						
Tackling poverty and social injustice:						
UK grant making	199	47	199	163	608	666
International grant making	125	30	125	102	382	596
Global awareness, education and social change	122	28	122	100	372	226
	446	105	446	365	1,362	1,488
Total support costs	1,143	271	1,144	1,256	3,814	4,253

All support costs are allocated on the basis of headcount as a proxy for staff time, except for investment management costs which are allocated directly.

6. Charitable activities: grants Group & Charity

	2021			2020		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Tackling Poverty and Social Injustice - UK						
A safe place to be	1,877	4,003	5,880	3,537	3,409	6,946
Children survive and thrive	1,155	1,567	2,722	3,080	1,270	4,350
Gender justice	1,051	2,686	3,737	752	7,722	8,474
Global mental health	695	4,885	5,580	6,820	2,704	9,524
Multi themed	13,809	9,830	23,639	2,496	11,382	13,878
Total grants allocated	18,587	22,971	41,558	16,685	26,487	43,172
UK cancelled grants	-	-	-	(873)	(117)	(990)
Total UK grant costs (note 5a)	18,587	22,971	41,558	15,812	26,370	42,182

6. Charitable activities: grants Group & Charity (continued)

	2021			2020		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Tackling Poverty and Social Injustice - International						
A safe place to be	49	49	98	6,548	-	6,548
Children survive and thrive	328	41	369	4,902	4,342	9,244
Gender justice	1,697	3,330	5,027	5,225	6,933	12,158
Global mental health	1,497	153	1,650	7,698	1,757	9,455
Multi themed	8,350	11,181	19,531	1,768	1,875	3,643
Total grants allocated	11,921	14,754	26,675	26,141	14,907	41,048
International cancelled grants	(1,613)	(820)	(2,433)	(1,843)	(1,442)	(3,285)
Total International grant costs (note 5a)	10,308	13,934	24,242	24,298	13,465	37,763
Total grant costs (note 5a)	28,895	36,905	65,800	40,110	39,835	79,945

Total funding awarded in the year to tackle poverty and social injustice was £68.2m (2020: £84.2m) before cancellations relating to previous years. The related figures in the annual report are shown net of cancellations.

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

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

7. Staff - Group

	2021	2020
	No.	No.
The average weekly number of persons employed by the group during the year was:		
Fundraising	44	41
Operations	55	56
Events, Production and Licencing	62	86
Grant making and management	42	60
	203	243
	2021	2019
	£'000	£'000
Staff costs for the above persons comprised:-		
Wages and salaries	8,534	10,500
Redundancy costs	26	662
Change to Social security costs	992	1,219
Pension costs	979	1,156
	10,531	13,537
Agency staff	235	974
Total staff costs	10,766	14,511

7. Staff - Group (continued)

The number of employees earning over £60,000 per annum, including taxable benefits but excluding pensions and employer's national insurance, was:

	2021	2020
£60,001 - £70,000	11	18
£70,001 - £80,000	5	10
£80,001 - £90,000	3	3
£90,001 - £100,000	-	1
£120,001 - £130,000	1	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	21	35

There were two Chief Executives in post over the year. The total remuneration during the year excluding pensions for both staff in the Chief Executive position was £229k (2020: £193k). There were no additional payments (2020: £5k) made to the Chief Executive during 2020/21.

Key management personnel constitute the Trustees, Chief Executive, Executive Directors, the General Counsel and Company Secretary. Total remuneration received by the key management personnel was £955k (2020: £941k).

8. Trustees

Trustees received £nil remuneration in the year (2020: £nil). No costs were incurred in relation to travel, accommodation and subsistence in relation to trustee duties (2020: £11,310). £777 was spent on meeting expenses (2020: £4,206). In 2021 all Trustee training was provided in-house. One trustee was reimbursed directly for expense claims totalling £311 (2020: nil).

Indemnity insurance costing £17,280 (2020: £8,960) was purchased on behalf of the trustees.

9. Taxation

Charity Projects 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 (2020: £nil).

10. Intangible fixed assets: Group and charity

	Group and Charity Trademarks	Group and Charity Software	Total
	£'000	£'000	£'000
Cost			
At 1 August 2020	558	1,797	2,355
Additions	10	-	10
Disposals in year	-	(1,797)	(1,797)
At 31 July 2021	568	-	568
Amortisation			
At 1 August 2020	387	1,796	2,183
Charged in the year	45	-	45
Disposals in year	-	(1,796)	(1,796)
At 31 July 2021	432	-	432
Net book value			
At 31 July 2021	136	-	136
At 31 July 2020	171	1	172

During the year, some fully depreciated software assets no longer in use were retired and these are reflected in the disposals. The new software used is paid for through an annual license fee reflected in the in-year expenditure.

There was no impairment in the value of trademark intangible assets as at 31 July 2021 (2020: £nil).

11. Tangible fixed assets: Group and charity

	Premises and Fixtures £'000	Computer Equipment £'000	Total £'000
Cost			
At 1 August 2020	1,799	685	2,484
Additions	6	25	31
At 31 July 2021	1,805	710	2,515
Depreciation			
At 1 August 2020	1,371	556	1,927
Charged in the year	144	82	226
	1,515	638	2,153
Net book value			
At 31 July 2021	290	72	362
At 31 July 2020	428	129	557

12. Fixed asset investments: Group and charity

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

	2021	2020
	£'000	£'000
Segregated global equities		
Fundsmith LLP	25,922	20,883
Leadenhall Value Fund	255	307
Trojan Ethical Fund	16,257	2,797
Baillie Gifford	4,229	-
Ownership Capital	9,093	-
Private equity		
Schroders Private Equity Fund of Funds III	1,018	1,264
Property		
Charity Property Fund	-	21,845
Cash	218	2,464
Total Group & charity	56,992	49,560

b) Reconciliation of opening and closing market value:

	2021	2020
	£'000	£'000
Market value at 1 August	49,560	137,138
Net disposals/purchases	-	(78,297)
Net investment gains/(losses)	7,432	(9,281)
Market value of portfolio at 31 July	56,992	49,560
Historic cost of investments at 31 July	36,664	34,746

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

c) The charity holds unlisted investments costing £3 (2020: £3) in the following subsidiary undertakings:

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

13. Debtors

	2021		2020	
	Group £'000	Charity £'000	Group £'000	Charity £'000
<i>(a) Amounts falling due within one year</i>				
Amounts due from subsidiary undertakings	-	6,700	-	9,018
Other debtors	4,984	3,518	8,617	7,297
Taxation and social security	466	178	-	-
Prepayments and accrued income	16,550	14,719	11,347	10,155
	22,000	25,115	19,964	26,470
<i>(b) Amounts falling due after more than one year</i>				
Prepayments and accrued income	-	-	99	99
	-	-	99	99

14. Creditors

	2021		2020	
	Group £'000	Charity £'000	Group £'000	Charity £'000
<i>(a) Amounts falling due within one year:</i>				
Grants approved not yet paid	54,437	54,437	49,947	49,947
Other creditors	371	334	474	332
Taxation and social security	323	323	627	268
Accrued expenditure & deferred income	829	785	1,401	1,140
Funds held on behalf of Third Parties	-	-	1,020	1,020
	55,960	55,879	53,469	52,707
<i>(b) Amounts falling due after more than one year</i>				
Grants approved not yet paid	29,953	29,953	36,539	36,539

15. Provisions

	2021		2020	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Dilapidations provision	479	479	478	478
Restructure provision	12	12	678	678
Provisions	491	491	1,156	1,156

The restructure provision relates to costs which were committed in the 19/20 financial year but are to be paid in the next financial year.

16. Members' liability

The charity does not have a share capital and is limited by guarantee. In the event of the charity being wound up, the maximum amount which each member is liable to contribute is £1. There were 12 members at 31 July 2021 (2020:12).

17. Analysis of group net assets between funds

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
£'000	£'000	£'000	£'000	£'000	£'000	
Fixed assets	58,699	-	58,699	51,611	-	51,611
Current assets	88,648	29,777	118,425	117,672	17,287	134,959
Current liabilities	(37,206)	(19,245)	(56,451)	(54,439)	(186)	(54,625)
Liabilities due after one year	(19,316)	(10,637)	(29,953)	(28,672)	(7,867)	(36,539)
Group net assets	90,825	(105)	90,720	86,172	9,234	95,406

18. Unrestricted funds

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

18. Unrestricted funds (continued)

	Balance 1 Aug 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance 31 July 2021 £'000
Group and Charity Designated funds						
Social Change Fund	23,214	(37)	(15,646)	-	11,783	19,314
Match funding commitments	16,062	-	(16,434)	-	19,890	19,518
The Bill & Melinda Gates Foundation	2,223	-	-	-	-	2,223
Red Shed	7,727	346	(352)	-	-	7,721
Fixed Asset Reserve	729	-	-	-	(231)	498
Total designated funds	49,955	309	(32,432)	-	23,442	49,274
Group general fund	36,217	43,154	(14,225)	7,432	(31,027)	41,551
Total group funds	86,172	43,463	(46,657)	7,432	415	90,825
Total charity funds	86,022	41,970	(45,164)	7,432	415	90,675

Social Change Fund represents all unrestricted income that has been designated for grants and the costs of making, managing, and monitoring grants but is not yet committed. We commit all funds within two years of receipt.

Match funding commitments represent the funds that the Trustees have designated to co-fund joint programmes with some of our key funding partners. These funds were previously shown as part of our Social Change Fund.

The Bill & Melinda Gates Foundation represents a general grant that has been designated by the Trustees of Comic Relief to drive the development of new and existing income streams, advance our digital platforms, and engage new audiences. This is separate to the Bill & Melinda Gates restricted fund in note 19.

Red Shed is a designation of funds to create, catalyse, and pilot innovative and new ways to tackle the relief of poverty and social injustice in the UK and internationally by individuals and new enterprises.

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

19. Restricted funds: Group and Charity

	Balance 1 Aug 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 July 2020 £'000
Emergency funds raised in response to COVID-19	-	32,992	(22,940)	-	10,052
GSK Malaria fund	(1,794)	3,400	(627)	-	979
Foreign, Commonwealth & Development Office grants	(4,066)	4,304	(9,127)	-	(8,889)
Department for Culture, Media and Sport grants	(1,172)	2,490	(1,304)	-	13
Impetus Youth Endowment Fund	-	4,000	-	-	4,000
Corporate partner funds	861	3,141	(2,749)	-	1,253
The Bill and Melinda Gates Foundation	3,770	-	(3,770)	-	-
Other Restricted funds	2,455	1,609	(2,277)	39	1,826
Total restricted funds	54	51,936	(42,794)	39	9,234

	Balance 1 Aug 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 July 2021 £'000
Emergency funds raised in response to COVID-19	10,052	3,442	(10,460)	-	3,034
GSK Malaria fund	979	850	(922)	(415)	492
Foreign, Commonwealth & Development Office grants	(8,889)	4,244	(2,606)	-	(7,251)
Department for Culture, Media and Sports grants	13	7,561	(8,145)	-	(571)
Impetus Youth Endowment Fund	4,000	-	(3)	-	3,997
Corporate partner funds	1,253	4,169	(3,241)	-	2,181
The Bill and Melinda Gates Foundation	-	1,543	(6,298)	-	(4,755)
Global Majority Fund	-	2,349	(2,246)	-	103
Other Restricted Funds	1,826	6,458	(5,619)	-	2,665
Total restricted funds	9,234	30,616	(39,540)	(415)	(105)

19. Restricted funds: Group and Charity (continued)

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

Emergency funds raised in response to COVID-19

The income in this fund comes from a variety of sources including £2m from DCMS to match fund our Big Night In appeal, £65k from our own first ever Christmas appeal, and £4m from the Premier League, which has all gone towards funding NHS charities.

GSK Malaria Fund

GSK Malaria Fund is a 5 year collaboration between GlaxoSmithKline and Comic Relief to improve health in malaria endemic countries in sub-Saharan Africa. We received £850k this year and having begun in 2016, we are now in the final stages of the partnership, working on the evaluation and learning. The transfer of £415k to designated funds relates to historic grants made as part of the GSK Malaria Fund and recorded at that time as designated expenditure. This transfer from restricted to designated is to ensure the fund balances are now correct.

Foreign, Commonwealth & Development Office Grants

This fund is made up of a number of multi-year, match-funded grants with the Foreign, Commonwealth & Development Office (FCDO, formally known as DFID). Grant costs are recognised in full when the funding is awarded whereas the related income is recognised only when the cash is received or it becomes receivable and when any conditions for receipt have been met, therefore this fund is in a negative balance which will be covered by future income received against this.

The most recent match-funded grant is Shifting the Power, which is a ten year grant of £30 million, with Comic Relief matching pound for pound (up to £30m), to fund local organisations in Ghana, Malawi, and Zambia to invest in their own organisational development, generate resources locally and better respond to the priorities of local people.

Other funds in this portfolio include:

- Global Mental Health Matters: a £4m co-funding arrangement created as part of Red Nose Day 2019 with all funds being allocated to mental health projects in Kenya. This year, we received £391k and spent £9k.
- All in All learning: a £10m co-funding arrangement created as part of Red Nose Day 2015 with all funds allocated towards education in sub-Saharan Africa. This year we received £2.3m and spent £230k.
- Maanda Initiative: a £16m co-funding arrangement created as part of Red Nose Day 2013 which Comic Relief allocates towards improving the lives of women and girls in sub-Saharan Africa. This year we received £994k and spent £2m.
- Trade & Enterprise Initiative: a £10m co-funding arrangement created as part of Sport Relief 2014 where all funds are allocated towards supporting income generation and enterprise growth across sub-Saharan Africa. This year we received £485k and spent £373k.

Department for Media, Culture and Sports Grants

We have three Tampon Tax grants totalling £5.6m funded by The Department for Media, Culture and Sport (DCMS). These are co-funded grants to fund women's organisations across the UK that support women and girls facing multiple disadvantage, specifically gender-based violence and abuse, in addition to mental ill-health and substance misuse.

In addition, this year we agreed a new £10m "Unltd" partnership with DCMS to fund organisations in England led 'by and for' black and minoritised women and providing frontline services responding to violence against women and girls. Bank Of America is also supporting us with this initiative, by joint funding £1.7m.

Impetus Youth Endowment Fund

The Youth Endowment Fund is a 3 year partnership between Comic Relief and Impetus. In this £8m co-funded programme, Comic Relief have co-designed a grant fund addressing serious youth violence in the UK, with plans to deliver the grants over the next 18 months.

Corporate Partner Funds

We have a number of Corporate Partner funds that have raised funds for us this year including the BT Supporters club (£624k), Walkers (£1m) and KFC Foundation (£785k).

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

The Kentucky Fried Chicken Foundation has committed to donate £3m to Comic Relief

for a 3 year programme. The funds from this year will top up existing projects focusing on helping young people fulfil their potential.

With Walkers we have launched a new mental health and well-being fund called The Smiles Fund, designed to support organisations working to reduce the stigma associated with poor mental wellbeing, as well as promote positive social connections and help people build resilience to tackle life's everyday challenges.

Bill and Melinda Gates Foundation

The Bill and Melinda Gates Foundation agreed a new partnership of £12.6m in 2021 with us to attract, manage, and disburse additional resources to make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need and contributing to poverty reduction as part of the Millennium Development Goals established by the United Nations. This is separate to the Bill & Melinda Gates designated fund in note 18.

Global Majority Fund

This year we entered into a partnership with the National Emergencies Trust, together with Barclays, Esmee Fairbairn Foundation, and the Clothworkers' Foundation to provide funding to partners working on racial injustice who had the ability, expertise, networks and knowledge to distribute rapid funding to a diverse range of locally led and focused organisations across the UK.

Other restricted funds

We have received a further £10m towards existing programmes including from World Bank (£2.2m), Ministry of Justice (£1.6m), Tech 4 Good 2 (£496k), BIG Lottery (£650k), Scottish Government (£592k), and Greater London Authority (£525k).

20. Contingent Assets

As at 31 July 2021, the Charity has entered into funding agreements where the Trustees have concluded that not all conditions for recognition of the grant income have been met. The Trustees expect that the conditions

in these agreements will be fulfilled over the course of the next five years. The unrecognised value of these agreements is up to £50.1m (2020: £51.7m).

21. Contingent Liabilities

As at 31 July 2021, the Charity had entered into a development impact bond with The British Asian Trust. The Trustees have concluded that not all conditions for recognition of the expenditure have been met for the full amount and a payment of £448k has been made. The Trustees expect that the conditions in this agreement will be fulfilled over the course of the next year. The unrecognised value of this agreement is £552k (2020: £552K). The Trustees approved

a Grant for Premier League Charitable Fund £200K. The Trustees have concluded that not all conditions for recognition of the expenditure have been met and expect will be met in the next year. Comic Relief is committed to providing match funding of £30m over the next 9 years against future grant income; £12m has already been designated in the accounts with a further £18m to be designated in future years.

22. Commitments under operating leases

At 31 July 2021, the group had a total value of minimum future lease payments as follows:

	2021	2020
	£'000	£'000
Payments due		
Land and buildings: within one year	707	707
Land and buildings: between 1 and 5 years	1,403	2,111
Plant and equipment : within one year	7	7
Plant and equipment : between 1 and 5 years	19	27
	2,136	2,852

23. Management of liquid resources - Group

	2021	2020
	£'000	£'000
Net increase/(decrease) in current asset investments	-	(45,543)

24. Related Parties

Comic Relief Inc.

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

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

In May 2021, the sixth Red Nose Day USA was produced by Comic Relief Inc. in partnership with NBC Universal under licence from Charity Projects. A licence fee of £50k (2020: £50k) was charged by Comic Relief Ltd.

Other related parties

Charity Projects charges Comic Relief Limited a management fee for shared staff, premises, depreciation and other support costs. The charge is based on the ratio of income for each entity. For 2021 the fee was £0.9m (2021: £0.8m). During the year Charity Projects charged Comic Relief Limited £26k for content production costs and Comic Relief Limited charged Charity Projects £23k for merchandise costs.

Comic Relief Limited transfers its total net taxable profit to Charity Projects at the end of each year under gift aid. For the year ended 31 July 2021 this was £5.4m (2021: £3.7m).

At 31 July 2021 Comic Relief Limited owed £6.7m (2020: £9.0m) to Charity Projects.

During the year Trustees and key management personnel made personal donations totalling £1.2k (2020: £2k).

A number of related party transactions were undertaken in the year during the normal course of business which were subject to our normal rigorous procedures.

Tessy Ojo, one of our trustees, is a member of the BBC Studios Charity Advisory Committee. A payment of £72k (2020: £10k) was made by Comic Relief to BBC Studios for production. During 2020/21 donations and reimbursed expenditure of £14k (2020: £113k) were paid from BBC Studios to Comic Relief Limited, with £0k (2020: £48k) owed from the BBC to Charity Projects as at 31 July 2021. During 2020/21 Comic Relief Ltd is due co-production fees of £250k (2020: £154k) from the BBC, with £250k (2020: £181k) outstanding as at 31 July 2021.

Tom Shropshire, one of our Trustees, is a Partner at Linklaters LLP. During 2020/21 gifts in kind at a value to Comic Relief of £20k were received.

Matt Hyde, one of our Trustees, was also a Trustee during the year at Step up to Serve. During 2020/21, £2.5k was paid of a £75k commitment made in 2017/18. Matt Hyde was appointed as a Trustee on 27 February 2019 and therefore was not a Trustee of Charity Projects when this funding was committed.

Fiona Campbell, one of our Trustees, was also an Advisory Board Member at Bologna Centre, School of Advanced International Studies, Johns Hopkins University. During 2020/21, £2.1m was paid to Johns Hopkins University. Fiona Campbell was appointed as a Trustee on 11 September 2020 and was not a Trustee of Charity Projects when this funding was committed in November 2017 and November 2019.

COMIC RELIEF

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