

Trustees' Report &
Financial statements
2013

**COMIC
RELIEF**

Comic Relief Serious Business



Overview

Highlights

The highlights of 2012/13 included:
Red Nose Day 2013 **raising over £100million.**

Giving a grant of £10 million to GAVI – the Global Alliance for Vaccines and Immunisation – to pay for vaccination programmes in Africa.

Over **£8 million to UK Community Foundations**, whose members made over 1,730 small grants to local community projects on our behalf.

The One Direction Red Nose Day single, 'One Way or Another', which was **No 1 in 63 countries** and boosted our appeal to a whole new global audience.

The completion of four new technology projects including a new donations platform that processed nearly **500,000 transactions in six hours** on the Night of TV.



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CEO review



'The Red Nose Day campaign raised over £100 million for the second time running.'

Kevin Cahill
Chief Executive, Comic Relief

Last year, Comic Relief awarded grants worth £103.1 million. It's the largest amount we've ever allocated in a year. The figure doesn't begin to reveal the sheer volume of work involved in screening and selecting the projects, which itself is only the start of the bigger process of monitoring and evaluating the impact that those grants have, and the social change they help to deliver.

On another positive note, the Red Nose Day campaign raised over £100 million for the second time running. It once again demonstrated the generosity of the British public and the capacity they have to extend the hand of friendship and support when they see individuals and communities who need their help.

This review of the year unpicks and explains the efforts made by everyone at Comic Relief to deliver these major achievements. It goes without saying that it has taken hard work, imagination, professionalism and passion to get there. As the leader of the organisation, I'd like to thank the entire Comic Relief family – staff, trustees, artists, committees, broadcast and corporate partners and beneficiary organisations for doing what they do so well. I'd also like to welcome Tim Davie, the new Chair of the organisation: we are thrilled to have him. And I'd like to record my heartfelt and personal thanks to his predecessor and outgoing Chair in a million, Peter Bennett-Jones.

Finally, at the end of 2013, we were hit by a media storm arising from concerns raised about our investment policy. This was something that shook us as an organisation. As I write, there is a review of this area of our work underway, which is covered more fully later in this report. We are taking steps to address the criticism and are committed to emerging stronger for it. The retention of the trust and confidence of the public, without whom we are nothing, is of paramount importance to us.

What is Comic Relief?

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

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

Our official name is Charity Projects – not Comic Relief. And, as a charity, there are rules that we have to comply with. The principal objectives of Comic Relief are to raise funds, to use our brand to raise awareness of issues around poverty and social injustice, and to achieve public benefit through the distribution of money in the form of grants and social investments for specific charitable purposes. These grants aim to deliver real and lasting change to poor and vulnerable people in the UK and internationally, particularly in Africa.

In determining our grant making strategies, and the general administration of the charity, the trustees pay due regard to the guidance of the Charity Commission (Section 4 of the Charities Act 2011). Comic Relief seeks to spend its money as effectively and professionally as possible. It also aims to raise awareness of its operations both to grant applicants and the public in support of its vision of 'a just world free from poverty' and the mission of 'positive change through the power of entertainment'.

In order to run ourselves in a professional and effective way, we incur necessary costs. Raising funds, making grants and organisational overheads cost real money.

Despite these costs, Comic Relief is committed to making sure that every pound the charity gets directly from the public is a pound that goes towards helping transform the lives of people dealing with poverty and social injustice. This includes the cost of making sure that our grants are allocated to good projects and are properly monitored and evaluated.

All other Comic Relief costs relating to fundraising and organisational overheads are covered in cash or in kind from all types of supporters like corporate sponsors and donors, suppliers, generous individuals and government (including Gift Aid) as well as from investment income and interest.

Our strategy

Overall, Comic Relief has three main objectives.

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

The second is to be an effective grant maker and create real and lasting change for poor and vulnerable people in the UK and internationally.

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

Key priorities

2012/13

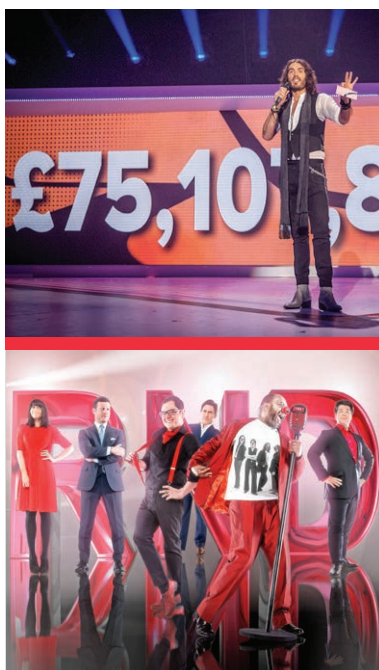
As outlined in last year's Trustees' Report, trustees set the following priorities for 2012/13:

- To capitalise on the outstanding success of Red Nose Day 2011
- To determine the optimum size and format for Sport Relief 2014 following analysis of Sport Relief 2012
- To establish the best opportunities for new revenue streams and identify the best research and development model to enable us to capitalise on those opportunities
- To deliver the next phase of technology capital projects, including phase 2 of the Grants Management System, the next iteration of FROST (our fundraising and registration system) and the delivery of a new donations platform
- To implement the new Grants Strategy to focus on the change we can make, the impact we can measure and our accessibility and responsiveness as a funder
- To implement the financial model and investment policy changes as outlined in the 2013-18 Six-Year Strategy. [N.B. this strategy pre-dates the investment policy review which was initiated in December 2013]

How we did in respect of each of these is detailed in the Operating review below.

Operating review

Income and technology



Programming on the BBC

Highlights included Comic Relief's Big Chat with Graham Norton, Russell Brand's Give It Up For Comic Relief concert, the Great Comic Relief Bake Off, the Great British Menu for Comic Relief, Mark Watson's 25 Hour Comedy Marathon on BBC3 and Richard Curtis' film about malaria, Mary and Martha.

Red Nose Day

Red Nose Day 2013 was a great success. The final total announced on the Night of TV itself (15 March) was £75.1 million, breaking the record from Red Nose Day 2011 by £600,000, although falling just shy of the ambitious targets we set for the night. When the books closed at the end of July the campaign had raised a final total of over £100m despite a very tough external environment. Trustees see this as testament to the extraordinary support that Comic Relief still receives from the public even in difficult circumstances. Although this was £8 million less than the record breaking Red Nose Day of 2011, we believe that this was due to an exceptional performance in 2011 rather than the start of a trend. In addition, corporate fundraising increased by 2% to £21.8million – largely due to increased funding from our strategic corporate partners: Sainsbury's, BT, British Airways and TKMaxx.

The UK Government's Department for International Development (DfID) contributed £16 million in match funding. The Bill & Melinda Gates Foundation donated £5 million for vaccines to contribute to the GAVI Matching Fund.

The trustees recognise the enormous contribution that so many of Britain's best-known and loved comedians and entertainers make to Comic Relief and to the success of the fundraising campaigns. In total 421 artists gave their time and talent to support Red Nose Day and the trustees thank them all.

Did you know?

The BBC is a critically important partner. The relationship between us is crucial to our success. Their skill, hard work and dedication has helped us raise millions of pounds and changes millions of lives, as well as delivering hours of first rate entertainment.



Income and technology



BBC Radio highlights included:

Radio 1 following and fundraising for the Zambezi challenge; French & Saunders taking over the airwaves of Radio 2 on Red Nose Day itself; Woman's Hour presenter Jane Garvey broadcasting live from a project in Ghana on Red Nose Day's 25th anniversary.



1D

One Direction were extremely generous with their commitment to Red Nose Day – including recording our single One Way or Another, and taking a trip to Ghana to see the kind of work that the money raised could fund. The level of their world-wide support – and the impact this helped Comic Relief achieve – is illustrated by the fact that the single went to number 1 in 63 countries on the first day of its release.

Media coverage

Media coverage is always easier to describe in numbers than to interpret in impact – but the results were impressive.

There were more than 10,000 pieces of coverage compared to 9,000 in Red Nose Day 2011, and 87% of UK adults were reached numerous times. Once again Community Cash for Red Nose Day gave grants through partnerships with 16 regional daily newspapers – totalling £1m. In London, Comic Relief again partnered with the Evening Standard newspaper, giving a grant of £1m to its Dispossessed Fund which aims to tackle poverty and social inequality in London.

Twitter followers

735,000

Facebook followers

539,000

There were over 900 features on BBC Network Radio for Red Nose Day, amounting to over 50 hours of coverage and raising over £800,000.

Social media channels saw enormous growth, with a 183% follower increase on Twitter (to 735,000), and a 27% increase on Facebook to 539,000. A new Instagram feed attracted 39,000 new followers. The appetite for up-to-the-minute information surrounding the Red Nose Day campaign continues to grow with artist engagement, in this case driven particularly by One Direction and their legions of fans, who played a major part in spreading the Red Nose Day message far and wide.

Did you know?

The One Direction video for their Comic Relief single was filmed at London Heathrow's Terminal 5 and featured cabin crew from British Airways.

Our partnership with British Airways and its Flying Start campaign raised over £2 million for Red Nose Day.



New income streams

In June 2013 we signed a deal with the newly launched BT Sport to form The Supporters Club. Comic Relief is pleased to have been asked to be BT's grant making charity partner in this exciting venture. The contribution of The Supporters Club is projected to be £2.1m by March 2014.

Our licensees in Finland, Germany, Lithuania and Canada continue to deliver successful local events following the Red Nose Day model. Over £170,000 was received in associated licence fee income during the financial year and over £2.25 million was raised for causes aligned with our mission.

Technology projects

We have put considerable effort and investment into exploring new technologies and technology platforms that could help grow campaign income in the future, both in the UK and internationally.

There have been some major achievements and advances in the past year. Building on the success of Sport Relief 2012, the fundraising and registration system (FROST) delivered well for Red Nose Day 2013 and is now being developed for use for Sport Relief in 2014 and beyond.

In order to maximise the impact of the Night of TV, for example, we require a delivery system that is bigger than most e-commerce platforms. It needs to operate without a hitch, to handle more than 500,000 transactions in six hours. And it is only used once a year.

Our new donations platform has been built from scratch. It is Payment Card Industry compliant, scalable, and geographically and architecturally resilient. It performed well on the Night of TV and for the first time we had no need to use technology fail-safes on a Red Nose Day. We took nearly half a million transactions online and through the call centres using this new technology.

Our new grants management system, called GEM (Grants Evaluation Management), was delivered on time, to specification and to budget. Ensuring that the system can be maintained and developed cost-effectively has been central to the overall design and implementation.

Grants

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

The money takes two years to allocate because Comic Relief approves grant applications in phased cycles. This ensures that any charity that thinks it is eligible has the chance to apply for funding. It is also so that we can maintain our rigorous application and checking systems, making sure we are funding great applications that will make the biggest difference.

While Comic Relief is working to allocate and pay out this money, in keeping with Charity Commission guidelines the funds are invested. The return on these investments goes towards paying the costs of Comic Relief's fundraising campaigns and other running costs, which means that these costs don't have to be paid out of money donated directly by the public.

For details of our investment policy review, please see the Financial review section on page 16.

Did you know?

Comic Relief doesn't run its own projects. The money raised from Comic Relief's fundraising campaigns is paid out in grants to thousands of charities to fund their crucial work helping people living tough lives in the UK and around the world.



Did you know?

Oxfam's amazing shop managers and volunteers sold our Red Nose merchandise across the UK, as they've done for the last two decades. Their support is incredible as always.



OXFAM





Grants strategy

In 2013 we finalised a new grants strategy in a year which also saw Comic Relief allocate its highest ever annual grant making total.

The new strategy provides greater alignment between UK and international grant making, and in future all funding will sit under five big themes:

- Better Futures
- Healthier Finances
- Stronger Communities
- Fairer Society
- Safer Lives

These broader themes mean that the UK Main Fund is now open to a wider range of organisations, and aims to be more flexible and responsive, particularly ensuring that our money reaches some of the UK's poorest communities.

Sub-Saharan Africa remains central to our international funding. We value innovation and adaptation, and are testing social investment models. We will continue to prioritise monitoring, evaluation and learning, for ourselves and with our partners.

Did you know?

Our aim is to bring about real and lasting change by tackling the root causes of poverty and social injustice. So, to drive this long term, sustainable change, we award grants which cover a number of years, to excellent projects that work to give people a leg up, not a hand out.



To help deliver the new strategy, our new grant management tool (GEM) went live – enabling organisations not only to apply but also to manage their grant and reporting requirements online, making it easier and more efficient for them and us.

This financial year was the biggest ever in terms of grants allocated (£103.1m net of cancellations) and payments made (£86.4m). A significant proportion of the grants are now part of matched funding arrangements with key partners, notably the Bill and Melinda Gates Foundation and DfID.

The latter brings large and vital extra funds into Comic Relief, allowing us to increase the volume of the work we do. As part of the DfID relationship we published all relevant data for the International Aid Transparency Initiative (IATI) on their website for the first time in March 2013. This information will now be updated at regular intervals.

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

Did you know?

Sainsbury's presented a cheque for £10.5m on the Night of TV – and the final total, when all of their Red Noses, merchandise sales and staff fundraising were added up, **reached a record breaking £11.5 million.**

Sainsbury's

Grants awarded



Case study

In the last year Comic Relief's support for Buttle UK's small grants programme has provided essential items such as cookers, beds and bedding, fridges and washing machines to families where children and young people's health, safety and well-being were at risk due to financial and material poverty. To date, Comic Relief funding to Buttle UK has supported grants to over 1,000 families. Over half of these families live in the highest areas of deprivation in the UK and these small interventions can break the spiral of decline for many.

What we did with the money

UK

This year we allocated over £30m in UK grants, including £8.5m in small grants to reach communities in every region and nation.

A significant new involvement was with the Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry. As part of this we supported Action on Addiction and Place2Be with a grant of £408,000 to help support children affected by parental substance abuse. The projects aim to improve the prospects of children in such families by offering both school-based counselling and a family addiction programme.

In addition to making new grants, during the year we have been reporting on the impact of UK grants made in previous years. Particular highlights include the Time to Change campaign, England's biggest programme to challenge mental health stigma and discrimination. This year an additional 52 organisations signed the Time to Change pledge to tackle stigma and have produced an action plan, bringing the total to almost 100. Recent signatories include the Bank of England and E.ON.

Since 2011 we have shared our 12 years of pioneering work around child sexual exploitation with a range of other partners. In 2012 we managed to bring an additional 10 funders to this issue, including the Big Lottery Fund and Children in Need. We have been instrumental in establishing the Child Sexual Exploitation Funders Alliance (CSEFA) which for the first time is bringing funders together to work on a joint strategy for lasting change.

This year saw us award the final grants from the Robbie Williams Give It Sum fund. Started in 2000, this partnership between Robbie and Comic Relief has supported over 120 groups to the tune of over £5.5m. We have worked across North Staffordshire, including Stoke-on-Trent, Robbie's home town. His generosity over 12 years, together with the involvement of his mum Jan, has enabled us to support local people in bringing inspirational change to their communities, which are among the most disadvantaged in the UK.

Grants



Case study

In northern Uganda, one of our established grantees, LABE (Literacy and Basic Education) is working to improve access to education for children in remote and war affected villages. This year nearly 2,000 children are able to attend nursery school in their community for the first time. Nursery education is widely regarded as a vital preparation for school, but it is rarely offered or affordable in Africa, particularly in rural areas. LABE has also supported almost 4,000 parents to improve their reading skills, so they can better support and encourage their children to enrol, stay in and succeed in school.

International

This year we allocated over £72m in international grants. This included 111 grants in Africa, and 21 grants to help some of the poorest people and communities in other countries around the world.

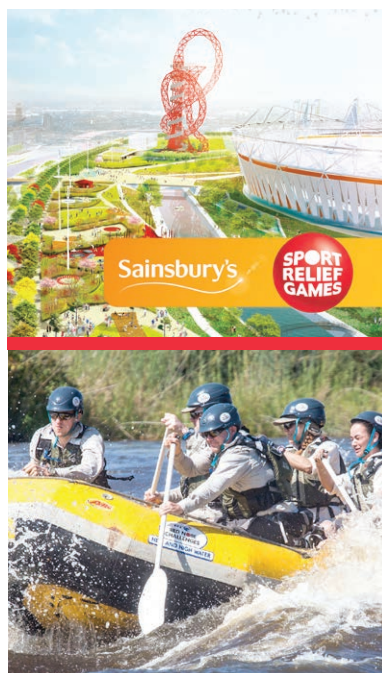
With Comic Relief funding, the Malaria Consortium (MC) has been supporting the Ugandan government to develop a strategy and guidelines to roll out the use of over 15 million Rapid Diagnostic Tests (RDTs) across the country. RDTs mean health workers can diagnose malaria within 15 minutes rather than sending blood samples to labs – which can be time consuming and unreliable. MC has been rigorously testing the use of RDTs in five districts and with the strategy and guidelines now agreed, thousands of lives could be saved. In the last year alone, as a result of work funded by Comic Relief, 286,170 malaria cases have been better treated through RDTs.

In January 2013 Comic Relief and UK Sport published the findings of their jointly commissioned research 'Testing Times' – which reviewed the issue of HIV counselling and testing within 'sport for development' programmes for young people, particularly in southern Africa.

The report highlighted the hugely positive role that sports organisations can have in taking young people – especially young men – on a vital journey of HIV prevention, testing and, if required, treatment and care, within an ethical (no pressure) environment. We are sharing the findings at a wide range of conferences and events within the sporting and HIV fields in the coming year to drive change.

We made a £10 million grant to the GAVI Alliance, to help them support vaccination programmes in Sub-Saharan Africa to provide pneumococcal, rotavirus and pentavalent vaccines to up to two million children. This funding will help these countries reduce levels of childhood illness and death.

Looking ahead



Sport Relief will be taking place in 2014. As one of the UK's biggest fundraising events, Sport Relief brings the entire nation together to get active, raise cash and change lives. The money raised by the public is spent by Comic Relief to help transform the lives of some of the poorest and most disadvantaged people both at home in the UK and across the world.

The first ever Sainsbury's Sport Relief Games will take place from Friday 21st to Sunday 23rd March 2014. Participants can make every mile count by running, swimming or cycling their way to raising cash at over a thousand venues, including our landmark events at Queen Elizabeth Olympic Park.

Furthermore – and for the first time – the Comic Relief Night of TV will come live from the Park, with activities taking place in the Copper Box, Velodrome and the Aquatic Centre. The campaign will have a new look and feel, and new merchandise.

The swimming element of the Sainsbury's Sport Relief Games will be a joint initiative with Swimathon and the trustees are very grateful to the Swimathon Foundation for appointing Sport Relief as their charity partner for 2014.

The trustees are aware that the economic environment means that family finances will continue to be squeezed, and that in turn makes fundraising harder. However, they are always in awe of the passion, dedication and generosity of the British public and look forward positively to Sport Relief in 2014.

Did you know?

For the fifth year, BT sponsored the BT Red Nose Challenges and raised almost £600,000 through customer and employee fundraising. They also provided the vast telephony infrastructure needed to take donations during the Night of TV.





We have set the following priorities for 2013/14:

- Build on the success of Sport Relief 2012, to deliver an enhanced event for Sport Relief 2014 while not increasing the real-terms cost of fundraising
- Kick off the creative and innovative planning needed to refresh Red Nose Day for 2015 and beyond, ensuring that the brand stays fresh as it matures
- Develop a clear strategy for new revenue streams, incorporating current ventures and potential new opportunities to deliver around £10m of new income each year by summer 2018
- To continue to improve the ways in which we measure the change we want to deliver, across all our activities
- Continue to deliver capital technology projects and ensure that high quality technology work underpins our business needs and objectives
- Review the effectiveness of all elements of the organisation

And we look forward to reporting on them next year.

Did you know?

This was the fifth Red Nose Day campaign where TKMaxx developed and sold our T-shirts. This year they were designed by Stella McCartney. They also sold a range of homeware products designed by Emma Bridgewater. The result?

A record breaking £3.7m

TKmaxx



Financial review

It was a successful year at Comic Relief, despite difficult economic circumstances. The Red Nose Day campaign raised over £100 million for the second time running. Our investment portfolio performed in excess of target, and this return was achieved whilst taking the lowest appropriate financial risk. In keeping with previous years, the executive team succeeded in running the organisation within the annual budget approved by trustees.

In December 2013, following concerns raised in the media about some aspects of our investment portfolio, the Chair and board of trustees commissioned a review of Comic Relief's investment policy, led by an independent Chair. The purpose of the review was to recommend the principles and framework for a new investment policy for Comic Relief, and its levels of transparency, that would reinforce and ensure continued public trust in the charity, be consistent with our charitable aims and in line with charity regulation and law. At the time of writing, the review panel's recommendations were being considered by trustees.

The following information in regard to the Six-Year Strategy implementation relates to changes to the financial model and investment policy which were agreed before the investment policy review was set up. This information is now subject to change, pending the outcome of the review.

Six-Year Strategy implementation

The principal details of the changes to the financial model and the investment policy were set out in last year's Report and were implemented in this financial year. Hitherto the donations made directly by the public had been able to be used entirely to fund work tackling poverty and social injustice.

However the Six-Year Strategy for 2013 to 2018 assumed that the persisting low interest rate environment would continue to have a considerable impact on Comic Relief's finances. The trustees therefore agreed that the cost of grant making and grant management could, if necessary, be paid for from the income from the Red Nose Day and Sport Relief campaigns across the six years covered by the strategy. The economic environment was also the basis for the changes to the investment policy whereby the amount of money to be held in cash would stand at a lower minimum level than had previously been the case.

Trustees agreed that the minimum amount to be held in cash should be set at the sum of the grants due for payment within one year (approximately £60m) plus six months' operating costs (around £10m) with the balance available for investment in other assets. The cash portfolio would all be held in securities with maturities within one year with at least £15m available within one month. Residual funds are invested on a more long-term basis.

The agreement by the BBC to commission both Red Nose Day and Sport Relief through 2016 meant that the cash flow is sufficiently assured for the long-term not to require income yield to be the principal aim of the investment portfolio, and that the policy could be amended to work to a total return target.

On the advice of the Investment Committee the trustees set the total return target at 5.5% over a rolling five-year period. The context for this was that the investment portfolio had achieved a total return of nearly 9% over the past five years even during this extended period of considerable market disruption and volatility. The performance of the portfolio is monitored by WM Company (WM) and is included in their survey of around 250 charity investment portfolios. This consistent performance in excess of the target return was achieved whilst taking less absolute risk than any other charity that WM measured across each of the last three, five and eight years.

Overall the Comic Relief portfolio achieved very comparable returns to those measured for other charities by WM, but at approximately half the risk. The trustees recognised that any policy change could affect the risk/return balance of the portfolio. But, using the advice of the Investment Committee, the trustees believed that the target could be achieved while continuing to retain the existing asset allocation of the portfolio which had a risk profile that the trustees were satisfied was balanced and appropriate. The trustees also acknowledged that the risk profile has to be dynamic and must change as needed to reflect the current situation of the charity.

Risk

As part of the Six-Year Strategy trustees have reviewed the major risks to which the group is exposed and they consider that reputational damage leading to loss of public trust and confidence in Comic Relief is the charity's principal risk. Other significant risks include the dependency on the support of our business partners, and the misappropriation or misuse of the money awarded in grants whether by Comic Relief or its beneficiaries.

Financial performance

A Reputation Risk Management Group, comprising trustees and others with substantial and appropriate reputation management experience, advises trustees when matters arise requiring their input.

The trustees consider they have established appropriate systems to anticipate risk and to evaluate further risks as they arise, and they will monitor closely the potential impact of changes to the investment policy and other implications for the organisation that flow from that. The trustees believe that implementation of agreed actions and procedures will reduce the probability and the impact of these risks significantly affecting the charity.

Comic Relief is a member of the Fundraising Standards Board (FRSB) and subscribes to its fundraising charter.

The results for the year for the Group are set out in the consolidated statement of financial activities on page 31. The position of the Group at the end of the year is shown in the consolidated balance sheet on page 33. There still remains a substantial difference between a Red Nose Day year and a Sport Relief year in the annual income and expenditure for the Group, and therefore reference to the comparative figures for the previous period's operation will not always prove useful.

In 2012/13, the Group received £114.2m (2012: £89.5m) from events, trading, donations, investment income and corporate support. A total of 335 grants equating to £103.1m net of cancellations have been approved in the year (2012: 346 grants totalling £78m).

The split of the incoming resources of £114.2 million between the General Fund, funds designated for grant making and other purposes, and restricted funds is shown in note 3. Grants awarded totalling £103.1 million (including grants from restricted funds) and other resources expended are shown in note 7. The balances on the respective funds are set out in notes 20 and 21.

The 'Seriously Good' range of cooking sauces ceased trading in December 2012. Comic Relief and Gordon Ramsay worked together on Seriously Good sauces from 2009 to 2012 and jointly decided that the time was right to bring the initiative to a close.

Despite challenging market conditions in the premium sauce market, the range raised £470,000 for the charitable work of Comic Relief. In addition to the sums raised from sales the Brand Relief Ltd trading subsidiary will return a further £752,000 to the charity in 2014 from the original investment of £2 million which had been provided by a private donor who wished to support this venture.

The trustees regularly monitor the balance of, and movements on, the General Fund in accordance with their agreed reserves policy. The balance in the Fund at 31 July 2013 is £14.1m. As stated in the section on the reserves policy on page 22, trustees undertake to review the balance on the General Fund and make any necessary adjustments when planning the next two year cycle to ensure sufficient reserves are in place in accordance with the policy. The trustees are satisfied that the balance of £14.1m was commensurate with the achievement of the policy over the remaining period of the Six-Year Strategy.

The trustees split out the movements arising from the charity's operating activities from those arising from changes in the valuation and holding of investments. They consider that this approach shows the charity's reserves available for general use more clearly, as changes in investment valuations (which do not form part of the general activities of the charity) do not affect the general reserves. The net gains on the investment portfolio of £15.9m in the financial year have been accounted for in the Investment Equalisation Fund through which all investment gains and losses (realised and unrealised) are recognised. The balance in that fund at the beginning of this financial period stood at £15m. The trustees have decided to hold the balance in the Investment Equalisation Fund at the same level of £15m (or approximately 10% of the value of the investment portfolio) and therefore the gains of £15.9m have been transferred into the General Fund.

Another designated fund is the Comic Relief Foundation – the concept of which is to help Comic Relief fulfil its mission of 'positive change through the power of entertainment' independent of its current fundraising model. None of the money in this fund is from the donations given in support of either Red Nose Day or Sport Relief. It was always intended that the Foundation would become active when the fund balance had reached at least £20m. A limited range of activities took place in the year under review the costs of which totalled £331,000 [see note 20]. In the light of the level of the funds available in the General Fund a transfer of the same amount has been made back into the Foundation so that its balance can be re-instated to £20m.

Investment policy

As outlined above, the Chair and Board of trustees commissioned a review of Comic Relief's investment policy in December 2013, led by an independent Chair. At the time of writing, the recommendations were being considered by trustees.

The following information in regard to our investment policy relates to the investment policy which was in place in the financial year 2012/13, before the review was set up.

Comic Relief is a cash generative business. The business model in essence is that the funds raised from a Red Nose Day or Sport Relief campaign will be received across March to July in the relevant year. The funds will then be awarded in grants over the two years before the next Red Nose Day or Sport Relief campaign with the great majority of the grants being multi-year, often for three years but sometimes for up to five years. These grants are scheduled for payment in instalments over the period of the grant to ensure the money is being spent as agreed. Sufficient funds are held in cash or cash equivalents to meet all grant commitments for the next 12 months (this amounted to £57m at 31 July 2013). Beyond the sums to be held in cash there is therefore permanent core capital which can prudently be held in longer-term assets to achieve an enhanced level of return. The overall objective of the Investment Policy is to maintain and grow the value of the portfolio. In addition Comic Relief aims to maximise the return from its portfolio, but only within an acceptable level of risk.

Cash portfolio

This investment policy covers the whole portfolio of the charity's assets and consists of a Cash portfolio and an Investment portfolio. In order to deliver that investment policy the aims for the Cash portfolio and Investment portfolio were, at the time, as follows: -

- Sufficient funds will be held in cash or cash equivalents to meet all grant commitments for the next 12 months
- In addition Comic Relief will hold six months' worth of operating expenses in cash or cash equivalents at all times (approximately £10m)
- Within the cash holdings £15m will always be available within one month and none of the cash holdings will be placed with a maturity of more than one year
- All other incremental funds from fundraising (above the minimum value) will be held as part of the Cash portfolio

Investment portfolio

- Based on the low-point in investable assets over the fund raising cycle, the residual amount of funds available for longer-term investment will commence at £135m for the financial year commencing 1 August 2013
- The Investment portfolio will be managed on a 'total return' basis, with a target annual return of 5.5%, assessed over a five-year time horizon. Dividends and interest will be reinvested and form part of the Investment portfolio
- The Investment Equalisation Fund will be used to provide protection for the General Fund from market volatility and is set at a target rate of £15m/10% of the Investment portfolio.

Governance

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

The Committee and the Group are made up of financial and sector professionals whose expertise covers the range of relevant knowledge and skills to monitor the asset allocation of the portfolios and the performance of individual asset managers on an on-going basis and who will recommend to trustees such changes as they may consider appropriate.

The portfolio achieved gains in the year to 31 July 2013 of £15.9m and the Investment Equalisation Fund, which had been established by trustees to protect the General Fund from investment losses, has been retained at £15m to achieve the revised policy target of the Investment portfolio as referred to above. This balance continues to afford a degree of protection to the General Fund.

Investment performance

In their annual report to trustees, WM reported that our portfolio had achieved a return of 10.4% in the year to 30 September 2013 – an annualised return of 8.3% over three years, of 8.9% over five years, and 6.7% over eight years. By way of comparison, the WM survey of all the charities measured achieved an average return of 13.8% over one year, an annualised return of 8.3% over three years and of 9.1% over five years. The trustees were also pleased to note that the performance of the Comic Relief portfolio was both a higher return and a lower risk than the strategic asset allocation the portfolio is measured against, and that, therefore, the advice of the Investment Committee to move away from the strategic allocation had improved performance while taking less risk.

As set out earlier in this report the trustees have set up a panel to review Comic Relief's investment strategy including the use of screening for ethical or environmental purposes. The trustees are very grateful to the Investment Committee for their advice, work, time and commitment to help steer Comic Relief through this period.

Policies

Reserves policy

The trustees have set the reserves policy as follows:

Comic Relief is in the unusual and fortunate position whereby, if there was a deficit on the General Fund in any particular year, there is a very limited risk of it affecting the charity's ability to continue its operations. The positive cash flow generated by the annual fundraising event would assist in financing the deficit should the need arise. Therefore, the trustees believe they would be able to plan the recovery of the organisation's finances over a reasonably extended timeframe without threatening the grant commitments to the charity's beneficiaries if such a situation were to occur.

In order to set the appropriate level of the General Fund, trustees have used the same potential circumstance where a single year's fundraising campaign has had to be cancelled. It is the same approach used for the Investment policy. The target balance on the General Fund across the period covered by the Six-Year Strategy to 2018 is £10m, equivalent to six months' operating costs and in line with the amount always to be held within the cash portfolio for this eventuality. However, readers should note that Red Nose Day generates a significantly greater level of unrestricted funds than Sport Relief, and as a result, the balance of the General Fund can vary from year to year. Trustees will review any variance and make any necessary adjustments when planning the next two year cycle to ensure sufficient reserves are in place in accordance with the policy.

The balance at 31 July 2013 is £14.1m. The trustees are satisfied that this balance is in line with the new policy and is consistent with the long term policy given the budgets and planning assumptions for the remaining period.

Grants policy

The trustees apply all the funds designated for grant making in pursuit of the vision of 'a just world free from poverty' and allocate these funds against clear, published criteria which are reviewed regularly. As stated in note 1(h), grants made for charitable purposes are included as an expense once they have been approved by trustees. The trustees' intention is to allocate (either by way of grant, the development of our grant programmes, or for learning and evaluation of the impact of the grants programmes) the total raised from each fundraising event over an approximate two year period.

Employment policies and involvement

Comic Relief is committed to employing the best people for the job, including those who are disabled or become disabled during their employment. This is based on merit, and through offering all of our staff and job applicants equality of opportunity and fair treatment. They will not be unfairly discriminated against, either directly or indirectly, on the grounds of: nationality or ethnic or national origins; religion; gender; marital status; sexual orientation; disability; age; spent convictions; or membership/non membership of a trade union. There are policies in place to prevent bullying and harassment, to ensure the safeguarding of children and vulnerable adults, to support staff members affected by issues including domestic violence and to provide a positive and supportive working environment for people with mental health conditions.

Comic Relief operates a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, responsibilities and personal qualities required for the satisfactory performance of each job. Salaries are also set in the context of the jobs market and comparisons are made with similar jobs in other charities and relevant organisations. Salaries are monitored by the Remuneration and Nominations Committee.

Comic Relief holds regular employee consultation via the Staff Representation Group comprising representatives from across the organisation. All of our employees are invited to attend the annual staff conference, and staff are kept informed of important news and events via our weekly email newsletter (which is also sent to employees on maternity leave).

Structure and governance

The charity does not have a share capital and is a company limited by guarantee. It is constituted by its Articles of Association.

Ultimate control of Comic Relief is vested in the trustees. They are:

Tim Davie
(Chair of Trustees,
and Remuneration and
Nominations Committee)

Richard Curtis CBE
(Vice Chair of Trustees)

Suzi Aplin

Diana Barran MBE
(UK Grants Committee)

Harry Cayton OBE
(UK Grants Committee)

Joe Cerrell

Tristia Clarke
(Commercial and
Technology Board)

Danny Cohen

Michael Harris
(Treasurer, Finance and Risk,
and Investment Committees)

Lenny Henry CBE

Colin Howes
(Commercial and
Technology Board)

Peter Salmon

Priscilla Snowball CBE
(Commercial and
Technology Board)

Theo Sowa
(International Grants
Committee)

Imelda Walsh
(Remuneration and
Nominations Committee)

Robert S Webb QC
(International and
UK Grants Committees)

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

Peter Bennett-Jones CBE
(retiring Chair
September 2013)

George Entwistle
(retired September 2012)

Jim Hytner
(retired March 2013)

Each trustee is a member of the charity and, in the event of the charity being wound up, is liable to contribute a maximum of £1. New trustees are selected and appointed by existing trustees to maintain an appropriate balance of skills and experience. New trustees are given a programme of induction and training is available when required and relevant. One fifth of the trustees are due for re-election each year and the number of times each trustee is available for re-election is not limited.

The trustees are advised by a committee structure including the UK and International Grants Committees, Finance and Risk, Investment, and Remuneration and Nominations Committees, all of which meet regularly and whose trustee representation is indicated above.

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

Conclusion

The trustees, who are also the directors of the company, submit their report and the Financial statements of Charity Projects and its subsidiaries for the year ended 31 July 2013. This report also takes into account the provisions of the Companies Act 2006 including the Enhanced Business Review. The reference and administrative information shown on the previous and following pages form part of this report.

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

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the trustees.

Auditor

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

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the Financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and the charitable company for that period. In preparing these Financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial statements; and
- prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Group and the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the Group and the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the Group and the charitable company and to enable them to ensure that the Financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the charity's constitution.

They are also responsible for safeguarding the assets of the Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the Group and the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

By order of the board

Colin Howes
Secretary 19 March 2014

Administrative information

Company Secretary

Colin Howes

Chief Executive

Kevin Cahill CBE

Registered office

14 Hanover Square
London W1S 1HP

Principal address

1st Floor, 89 Albert Embankment
London SE1 7TP

Statutory auditor

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

Bankers

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

Adam & Company plc
22 Charlotte Square
Edinburgh EH2 4DF

Investment administrators

Bridges Communities
Ventures Ltd
1 Craven Hill, London W2 3EN

C Hoare & Co
37 Fleet Street
London EC4P 4DQ

Ignis Asset Management
50 Bothwell Street
Glasgow G2 6HR

Ingenious Asset Management
15 Golden Square
London W1F 9LG

Solicitors

Harbottle and Lewis LLP
14 Hanover Square
London W1S 1HP

Honorary accountants

Ernst & Young LLP
Beckett House
1 Lambeth Palace Road
London SE1 7EU

Company number

1806414

Charity numbers

326568 (England and Wales)
SC039730 (Scotland)

Did you know?

Our major fundraising events are held alternately every two years: Sport Relief in even years, and Red Nose Day in odd years. Therefore, to see how successful one campaign is in comparison with a previous campaign, you have to go back two years.



Independent auditor's report to the members and trustees of Charity Projects

We have audited the Financial statements of Charity Projects for the year ended 31 July 2013 set out on pages 31 to 52. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, 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.

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 regulations made under those Acts. Our responsibility is to audit, and express an opinion on, the Financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial statements

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

Opinion on Financial statements

In our opinion the Financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 July 2013 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report for the financial year for which the Financial statements are prepared is consistent with the Financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if in our opinion:

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

Marianne Fallon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants 25 March 2014

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1 Forest Gate, Brighton Road, Crawley, West Sussex, RH11 9PT

Financial statements

Consolidated statement of financial activities (incorporating an Income and Expenditure Account) For the year ended 31 July 2013

Unrestricted funds

Incoming resources (1e)

Incoming resources from generated funds

	General £000	Designated Grants £000	Other £000	Restricted Funds £000	2013 £000	2012 £000
Voluntary income	6,427	83,390	500	6,072	96,389	75,216
Activities for generating funds	3,091	8,602	-	-	11,693	7,891
Investment income (5)	6,083	-	-	2	6,085	6,358
Total incoming resources (3)	15,601	91,992	500	6,074	114,167	89,465

Resources expended (1g)

Costs of generating funds

Costs of generating voluntary income	11,276	-	56	30	11,362	15,957
Fundraising trading and other costs	1,594	-	-	-	1,594	1,619
Investment management costs	72	-	-	-	72	144
	12,942	-	56	30	13,028	17,720

Charitable activities

Tackling poverty and social injustice:

UK grantmaking	2,075	29,783	-	1,208	33,066	34,333
International grantmaking	2,771	66,012	-	6,167	74,950	47,973
Global awareness, education and social change	4,209	-	1,083	-	5,292	4,205
	9,055	95,795	1,083	7,375	113,308	86,511

Governance costs

	97	-	-	-	97	77
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Total resources expended (6)

	22,094	95,795	1,139	7,405	126,433	104,308
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Net (outgoing) resources for the year	(6,493)	(3,803)	(639)	(1,331)	(12,266)	(14,843)
Realised gains on investment assets	-	-	1,114	-	1,114	(77)

Net (outgoing) resources for the year before transfers	(6,493)	(3,803)	475	(1,331)	(11,152)	(14,920)
Net transfers between funds (20/21)						
- Investment Equalisation Fund transfer	15,941		(15,941)	-	-	-
- Other transfers	(228)	(659)	323	564	-	-

Net income/(expenditure) for the year	9,220	(4,462)	(15,143)	(767)	(11,152)	(14,920)
Unrealised gains on investment assets (14b)	-	-	14,827	-	14,827	4,692

Net movement in funds

Total funds brought forward at 1 August 2012	4,904	90,653	37,358	1,542	134,457	144,685
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Total funds carried forward at 31 July 2013 (20/21)

	14,124	86,191	37,042	775	138,132	134,457
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All amounts relate to the continuing activities of the Group. The Group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. The reference to the notes, which form part of these Financial statements, is shown on each line, as appropriate. The notes are shown on pages 36 to 52.

Charity statement of financial activities (incorporating an Income and Expenditure Account) For the year ended 31 July 2013

Unrestricted funds

	General £000	Designated Grants £000	Other £000	Restricted Funds £000	2013 £000	2012 £000
Incoming resources (1e)						
Incoming resources from generated funds						
Voluntary income (3)	6,427	83,390	500	6,072	96,389	75,216
Gift Aid from Comic Relief Limited (4)	1,582	8,602	-	-	10,184	6,426
Investment income	6,006	-	-	2	6,008	6,204
Total incoming resources	14,015	91,992	500	6,074	112,581	87,846
Resources expended						
Costs of generating funds						
Costs of generating voluntary income (6a)	11,276	-	56	30	11,362	15,957
Investment management costs (6a)	72	-	-	-	72	144
	11,348	-	56	30	11,434	16,101
Charitable activities (6a)						
Tackling poverty and social injustice:						
UK grantmaking	2,075	29,783	-	1,208	33,066	34,333
International grantmaking	2,771	66,012	-	6,167	74,950	47,973
Global awareness, education and social change	4,209	-	1,083	-	5,292	4,205
	9,055	95,795	1,083	7,375	113,308	86,511
Governance costs (6a)	97	-	-	-	97	77
Total resources expended	20,500	95,795	1,139	7,405	124,839	102,689
Net (outgoing) resources for the year	(6,485)	(3,803)	(639)	(1,331)	(12,258)	(14,843)
Realised (losses)/gains on investment assets	(8)	-	1,114	-	1,106	(77)
Net (outgoing)/incoming resources for the period before transfers	(6,493)	(3,803)	475	(1,331)	(11,152)	(14,920)
Net transfers between funds (20/21)						
- Investment Equalisation Fund transfer	15,941	-	(15,941)	-	-	-
- Other transfers	(228)	(659)	323	564	-	-
Net (expenditure)/income for the year	9,220	(4,462)	(15,143)	(767)	(11,152)	(14,920)
Unrealised loss on investment assets	-	-	-	-	-	(145)
Unrealised gains on investment assets (14b)	-	-	14,827	-	14,827	4,692
Net movement in funds	9,220	(4,462)	(316)	(767)	3,675	(10,373)
Total funds brought forward at 1 August 2012	4,754	90,653	37,358	1,542	134,307	144,680
Total funds carried forward at 31 July 2013 (20/21)	13,974	86,191	37,042	775	137,982	134,307

All amounts relate to the continuing activities of the charity. The charity has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. The reference to the notes, which form part of these Financial statements, is shown on each line, as appropriate. The notes are shown on pages 36 to 52.

Consolidated balance sheet as at 31 July 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Intangible assets	12	113	79
Tangible assets	13	3,799	2,966
Investments	14a	137,990	154,354
		141,902	157,399
Current assets			
Investments	15	117,048	88,613
Debtors	16	12,669	10,448
Cash at bank and in hand		5,435	4,223
		135,152	103,284
Creditors			
Amounts falling due within one year	17a	(59,289)	(57,451)
Net current assets		75,863	45,833
Total assets less current liabilities		217,765	203,232
Creditors			
Amounts falling due after more than one year	17b	(79,633)	(68,775)
Net assets	19	138,132	134,457
Funds			
Unrestricted funds			
General fund	20	14,124	4,904
Designated funds	20	123,233	128,011
		137,357	132,915
Restricted funds	21	775	1,542
		138,132	134,457

Approved by the trustees on 19 March 2014 and signed
and authorised for issue on their behalf by:

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)	
)	
TIM DAVIE)	
)	Trustees
)	
)	
)	
MICHAEL HARRIS)	

The notes on pages 36 to 52 form part of these Financial statements.

Charity balance sheet as at 31 July 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	13	3,799	2,966
Investments	14a	138,742	155,114
		142,541	158,080
Current assets			
Investments	15	108,458	81,275
Debtors	16	21,928	17,300
Cash at bank and in hand		4,609	3,811
		134,995	102,386
Creditors			
Amounts falling due within one year	17a	(59,921)	(57,384)
Net current assets		75,074	45,002
Total assets less current liabilities		217,615	203,082
Creditors			
Amounts falling due after more than one year	17b	(79,633)	(68,775)
Net assets		137,982	134,307
Funds			
Unrestricted funds			
General Fund	20	13,974	4,754
Designated funds	20	123,233	128,011
		137,207	132,765
Restricted funds	21	775	1,542
		137,982	134,307

Approved by the trustees on 19/03/2014 and signed
and authorised for issue on their behalf by:

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)	
)	
TIM DAVIE)	
)	Trustees
)	
)	
)	
MICHAEL HARRIS)	

The notes on pages 36 to 52 form part of these Financial statements.

Consolidated cash flow statement For the year ended 31 July 2013

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

	Notes	2013 £000	2012 £000
Net (outgoing) resources		(12,266)	(14,843)
Depreciation and amortisation		1,621	1,382
Investment income		(6,085)	(6,358)
(Decrease)/increase in debtors		(2,221)	4,394
Increase/(decrease) in creditors		12,696	(5,269)
Net cash (outflow) from operating activities		(6,255)	(20,694)

b) Cashflow Statement

Net cash (outflow)/inflow from operating activities		(6,255)	(20,694)
Returns on investments and servicing of finance:			
Investment income		6,085	6,358
Capital expenditure and financial investment			
Receipts from sale of fixed asset investments		41,508	62,467
Payments to acquire fixed asset investments		(9,203)	(97,646)
Payments to acquire tangible and intangible fixed assets		(2,488)	(1,742)
		29,817	(36,921)
Management of liquid resources	23	(28,435)	51,099
Increase/(decrease) in cash in the year	24	1,212	(158)

c) Reconciliation of net cash flow

Increase/(decrease) in cash in the year		1,212	(158)
Cash used in management of liquid resources		28,435	(51,099)
Change in net funds resulting from cash flows		29,647	(51,257)
Net funds at 1 August 2012		92,836	144,093
Net funds at 31 July 2013	24	122,483	92,836

The notes on pages 36 to 52 form part of these Financial statements.

Notes to the Financial statements For the year ended 31 July 2013

1. Accounting policies

a) Basis of accounting

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

b) Consolidation

These Financial statements consolidate the results of Charity Projects and its subsidiaries up to 31 July 2013, on a line by line basis.

Charity Projects has taken advantage of the exemption given by Financial Reporting Standard 8 from disclosing transactions with members of the same accounting group, this applies where 100% of the voting rights are held within the Group. All members of the Charity Projects Group are listed on page 24.

Trustee emoluments and transactions are disclosed in Note 10. There are no other related party transactions.

c) Fixed assets

Intangible fixed assets (Trademarks)

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

Tangible fixed assets

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

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

Fixtures and fittings	25% straight-line basis
Technology	20% – 33⅓% straight-line basis
Office premises (refurbishment)	20% straight-line basis

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

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

d) Investments

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

Notes to the Financial statements For the year ended 31 July 2013

1. Accounting policies (continued)

e) Incoming resources

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

Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain and quantifiable. For pecuniary legacies this will generally be at the point probate is granted. For residuary legacies this will generally be on the earlier of cash receipt or once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

The income from "activities for generating funds" is derived from the activities of the charity's subsidiaries Comic Relief Limited and Brand Relief Limited, and are included in the consolidated statement of financial activities when receivable.

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

f) Donated goods and services

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

g) Resources expended

Resources expended are accounted for on an accruals basis. Where expenditure does not fall clearly into one category, it is allocated to appropriate headings on the basis of time spent by staff on each cost area.

Costs of generating voluntary income comprise fundraising and event costs.

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

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

Support costs represent staff and overhead costs which have been apportioned to each expenditure heading on the basis of staff time as detailed in note 6b.

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

h) Grants payable

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

Notes to the Financial statements For the year ended 31 July 2013

1. Accounting policies (continued)

i) Operating leases

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

j) General Fund

The General Fund is available to cover the costs of the organisation other than the grants payable from the designated and restricted funds. Income that is credited to this fund includes sponsorship and corporate support, Gift Aid, investment income, interest and donations given specifically to cover running costs, as shown in note 3.

k) Designated funds

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

l) Restricted funds

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

m) Foreign currencies

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

2. Charity statement of financial activities

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

3. Total incoming resources – Group

	Unrestricted funds					
	General £000	Designated Grants £000	Other £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Voluntary income						
Fundraising events	-	69,154	-	11	69,165	49,954
Grant income (notes 20/21)	-	13,957	500	5,405	19,862	18,256
Voluntary donations	318	279		656	1,253	1,237
Gift Aid	5,654	-	-	-	5,654	5,180
Contributions to operating costs	455	-	-	-	455	589
	6,427	83,390	500	6,072	96,389	75,216
Activities for generating funds						
Trading income from:						
Comic Relief Limited (note 4)	3,090	8,590	-	-	11,680	7,799
Brand Relief Limited (note 4)	1	12	-	-	13	92
	3,091	8,602	-	-	11,693	7,891
Investment income (note 5)	6,083	-	-	2	6,085	6,358
	15,601	91,992	500	6,074	114,167	89,465

Notes to the Financial statements For the year ended 31 July 2013

3. Total incoming resources – Group (continued)

2013 was a Red Nose Day year whereas the comparative 2012 period was a Sport Relief year, and thus comparisons will not always prove useful.

In 2013, grant income of £19.8 million comprised of funding from the Department for International Development of £14 million, the Bill & Melinda Gates Foundation of £5.5 million, The Nominet Trust £212,760, The Sainsbury's Fair Development Fund £62,500, The A S Hornby Educational Trust £50,000, The Baring Foundation £50,000. Donated goods and services are included within contributions to operating costs.

Activities for generating funds comprise the turnover of Comic Relief Limited and Brand Relief Limited, trading subsidiaries of Charity Projects. Comic Relief Limited's turnover consists of income from fundraising events organised by the company of £8.8 million, (2012 £2.4 million), and income of £2.8 million from licensing activities and sponsorship received to help to cover costs (2012 £5.3 million). Brand Relief Limited's turnover consists of royalty income generated from the sale of cooking sauces of £13,000 (2012 £92,000).

4. Comic Relief Limited and Brand Relief Limited

The results for Comic Relief Limited and Brand Relief Limited, the wholly owned trading subsidiaries of Charity Projects, are as follows:

Turnover
Other operating income
Overhead expenditure

Operating profit/(loss)

Interest receivable

Profit/(loss) on ordinary activities before and after taxation

Payment under Gift Aid

Retained profit/(loss) for the year

Assets and liabilities

Fixed assets

Current assets
Current liabilities

Net current (liabilities)/assets

Long term liabilities

Net assets/(liabilities)

Comic Relief Ltd 2013 £000	Brand Relief Ltd 2013 £000
11,680	13
12	-
(1,582)	(24)
10,110	(11)
74	3
10,184	(8)
(10,184)	-
-	(8)
2013 £000	2013 £000
113	-
11,079	752
(11,042)	-
37	752
-	(2,000)
150	(1,248)

Having raised more than £450,000 for the charity, Comic Relief and Gordon Ramsay decided to bring the Seriously Good sauce range activity in Brand Relief Ltd to a close at the end of December 2012. In March 2014 the preference shares were converted to ordinary shares, there was a subsequent reduction in capital and a Gift Aid payment of £752,000 was made by Brand Relief Ltd to Charity Projects.

Notes to the Financial statements For the year ended 31 July 2013

5. Investment income – Group

	2013 £000	2012 £000
Dividends	4,401	3,583
Other interest receivable	1,684	2,775
	6,085	6,358

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

	Grant costs (note 7) £000	Staff costs (note 8) £000	Support costs (note 6b) £000	Other direct costs £000	Total 2013 £000	Total 2012 £000
Costs of generating funds						
Costs of generating voluntary income	-	5,898	1,768	3,696	11,362	15,957
Fundraising trading and other costs	-	698	197	699	1,594	1,619
Investment management costs	-	-	72	-	72	144
	-	6,596	2,037	4,395	13,028	17,720
Charitable activities						
Tackling poverty and social injustice:						
UK grantmaking	30,935	1,481	433	217	33,066	34,333
International grantmaking	72,119	1,659	433	739	74,950	47,973
Global awareness, education and social change	-	3,149	884	1,259	5,292	4,205
	103,054	6,289	1,750	2,215	113,308	86,511
Governance costs (note 6c)	-	14	74	9	97	77
Total resources expended	103,054	12,899	3,861	6,619	126,433	104,308

Resources expended include:

	2013 £000	2012 £000
Auditor's remuneration:		
Audit fee (Group)	55	55
Accountancy, taxation and other services	30	14
Operating lease rentals – land and buildings, and other	443	443
Depreciation and amortisation	1,621	1,382

Notes to the Financial statements For the year ended 31 July 2013

b) Analysis of support costs – Group

	Premises £000	Depre- ciation £000	IT & office £000	HR, finance & manage- ment £000	Total 2013 £000	Total 2012 £000
Costs of generating funds						
Costs of generating voluntary income	390	730	446	202	1,768	1,969
Fundraising, trading and other costs	33	89	38	37	197	241
Investment management costs	-	-	-	72	72	144
Charitable activities						
Tackling poverty and social injustice:						
UK grantmaking	89	196	103	45	433	404
International grantmaking	89	197	103	44	433	369
Global awareness, education and social change	181	401	210	92	884	756
Governance costs	4	8	9	53	74	62
Total support costs	786	1,621	909	545	3,861	3,945

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

c) Analysis of governance costs – Group

	2013 £000	2012 £000
Internal audit	21	7
External audit (charity only)	29	29
Trustee indemnity insurance	5	5
Legal & professional fees	1	1
Trustees' and committees' costs	9	2
Apportionment of staff & other costs	32	33
Total governance costs	97	77

Notes to the Financial statements For the year ended 31 July 2013

7. Charitable activities – grants awarded – Group & Charity

	2013 £000	2012 £000
Tackling Poverty and Social Injustice – UK		
Unrestricted		
Domestic and Sexual Abuse	2,344	2,709
Elder Abuse Initiative	–	18
Local To You	8,462	7,395
Mental Health	3,309	2,180
Older People	2,761	3,662
Refugees and Asylum Seekers	2,776	1,900
Special Applications	1,443	1,249
Sport for Change	2,129	3,581
Young People with Mental Health Problems	2,522	2,015
Young People with Alcohol Problems	2,587	3,285
Sexually Exploited and Trafficked Young People	2,036	2,612
Other grants	107	–
Cancelled grants	(881)	(1,036)
Learning & Evaluation direct costs	188	232
Total UK grants – Unrestricted	29,783	29,802
Restricted		
Give it Sum		
Total approvals	111	542
Total cancelled grants	(24)	(10)
Total Give It Sum	87	532
Steve Redgrave Fund	(7)	202
Other Restricted	1,072	1,782
Total UK grants – Restricted	1,152	2,516
Total UK grants (note 6a)	30,935	32,318

Notes to the Financial statements For the year ended 31 July 2013

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

Tackling Poverty and Social Injustice – International

Unrestricted

	2013 Total £000	2012 Total £000
Climate Change	-	450
Devolved Grant Making to African Grant Makers	1,000	150
Education**	7,844	9,513
Education (Common Ground Initiative)*	2,740	559
Enterprise and Employment (Common Ground Initiative)*	999	1,153
Health**	12,510	10,169
Health (Common Ground Initiative)*	1,428	1,227
Horn of Africa Famine Response	-	160
Organisational Development (Common Ground Initiative)*	226	233
People Affected by Conflict	2,946	442
People Living in Urban Slums**	14,552	2,819
People Affected by HIV/AIDS	1,665	1,831
Sport for Change	2,662	2,953
Street and Working Children and Young People	7,748	5,289
Trade	2,520	4,324
Women & Girls**	10,440	3,440
Other	30	70
Cancelled Grants	(3,655)	(2,347)
Learning & Evaluation direct costs	357	416

Total International Grants – Unrestricted

66,012 42,851

Restricted

Total approvals	6,251	3,152
Total cancellations	(144)	(291)

Total International Grants – Restricted

6,107 2,861

Total International Grants (note 6a)

72,119 45,712

Total Grants expenditure – Unrestricted

95,795 72,653

Total Grants expenditure – Restricted

7,259 5,377

Total Grants expenditure (note 6a)

103,054 78,030

*These International grants are funded entirely from the Common Ground Initiative. All the other International programmes include some Common Ground Initiative funds (see note 20).

**These International programmes include some grants which are match funded by UKAid Match Funding

A more detailed breakdown of our grants is available from our website www.comicrelief.com/how-we-help

Notes to the Financial statements For the year ended 31 July 2013

8. Staff – Group

The average weekly number of persons employed by the Group during the year was:

	2013 Full time equivalent Number	2012 Full time equivalent Number
Fundraising	64	63
Operations	56	56
Education/communications	54	50
Grants	56	51
Red Nose Day staff team	28	8
Sport Relief staff team	9	48
Innovation team	10	10

277 **286**

Staff costs for the above persons comprised:

	2013 £000	2012 £000
Wages and salaries	10,048	10,225
Social security costs	959	1,014
Pension costs	1,041	872

12,048 **12,111**
851 **1,429**

Agency staff

12,899 **13,540**

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

	2013 Number	2012 Number
£60,001 – £70,000	8	10
£90,001 – £100,000	5	5
£101,001 – £110,000	1	–
£130,001 – £140,000	1	1

Pension contributions made on behalf of the above totalled £187,841 (2012: £181,198).

The remuneration for the year, excluding pensions, for Kevin Cahill, Chief Executive, was £131,846 (2012: £130,823).

9. Pension contributions

Charity Projects operates a group personal pension scheme open to all employees after a qualifying period. Contributions payable to the pension scheme are charged to the statement of financial activities as they become due. The charity makes a contribution, dependent on length of service, which is supplemented by an employee contribution. The number of staff taking part in the scheme was 254 (2012: 228) and the pension charge for the year was £1,041,576 (2012: £872,231).

10. Trustees

Expenses of £5,834 were incurred in the year for two trustees (2012: £6,657). Harbottle and Lewis LLP, a firm of solicitors in which Colin Howes is a partner, provided legal and professional services of £9,205 (2012: £45,373) to the Group. Trustees received £nil remuneration in the year (2012: £nil).

Notes to the Financial statements For the year ended 31 July 2013

11. Taxation

The company is a registered charity and as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under the Corporation Taxes Act 2010. 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 (2012: £nil).

12. Intangible fixed assets – Group

Trademarks

Cost

At 1 August 2012

Creation of trademarks in the year

At 31 July 2013

Amortisation

At 1 August 2012

Charged in the year

At 31 July 2013

Net book value at 31 July 2013

At 1 August 2012

As a result of annual impairment reviews, no impairment of intangible assets as at 31 July 2013 has been identified (2012: £nil).

Total
£000

157
51

208

78
17

95

113

79

13. Tangible fixed assets – Group and Charity

Cost

At 1 August 2012

Additions

Disposals in year

At 31 July 2013

Depreciation

At 1 August 2012

Charged in the year

Disposals in year

At 31 July 2013

Net book value at 31 July 2013

At 1 August 2012

Premises and fixtures £000	Tech- nology £000	Total £000
2,281	4,314	6,595
11	2,426	2,437
-	(29)	(29)
2,292	6,711	9,003
1,443	2,186	3,629
305	1,299	1,604
-	(29)	(29)
1,748	3,456	5,204
544	3,255	3,799
838	2,128	2,966

Notes to the Financial statements For the year ended 31 July 2013

14. Fixed asset investments

Group and Charity

a) The investment portfolio is held in a range of managed pooled funds. The asset allocation is summarised below;

	2013 £000	2012 £000
UK equities funds	16,623	27,189
Global equities funds	59,493	39,934
Private equity funds	5,902	5,724
Bond funds	13,309	14,992
Property funds	11,446	15,936
Absolute return funds	31,217	50,579
Total Group	137,990	154,354
Investment in Brand Relief Limited	752	760
Total Charity	138,742	155,114

b) Reconciliation of opening and closing market value

	2013 £000	2012 £000
Market value at 1 August 2012	154,354	56,126
Additions at cost	9,203	97,646
Disposals at opening market value	(40,394)	(4,110)
Net unrealised investment gains	14,827	4,692
Market value of listed investments at 31 July 2013	137,990	154,354
Portfolio cash	-	-
Market value of portfolio at 31 July 2013	137,990	154,354
Cost of listed investments at 31 July 2013	116,516	145,500

Notes to the Financial statements For the year ended 31 July 2013

14. Fixed asset investments (continued)

c) Reconciliation of movements in unrealised gains on investment assets

	2013 £000	2012 £000
Group and Charity		
Unrealised gains at 1 August 2012	8,853	4,270
Adjust: in respect of disposals in the year	(2,205)	(109)
	6,648	4,161
Net gains arising on revaluations in the year (note 14b)	14,827	4,692
Unrealised gains at 31 July 2013	21,475	8,853

Charity

d) The Charity also holds unlisted investments costing £2,000,102 (2012: £2,000,102) in the following subsidiary undertakings:

	Country of incorporation	Principal activity	Class of shares	Share capital held
Comic Relief Limited (note 4)	England	Trading	Ordinary £1	100%
Brand Relief Limited (note 4)	England	Not now trading	Ordinary £1	100%

15. Current asset investments

	2013 £000	2012 £000
Call account	49,301	9,697
Fixed term deposits	48,270	58,521
Global liquidity funds – Charity Projects	10,887	13,057
Market value at 31 July 2013 – Charity	108,458	81,275
Call account – Comic Relief Limited	8,549	–
Global liquidity funds – Comic Relief Limited	41	6,533
Global liquidity funds – Brand Relief Limited	–	805
Market value at 31 July 2013 – Group	117,048	88,613

16. Debtors

	2013		2012	
	Group £000	Charity £000	Group £000	Charity £000
Amounts due from subsidiary undertakings	–	10,737	–	7,574
Other debtors	2,192	715	1,130	408
Loans (due in more than 1 year)	4,594	4,594	4,488	4,488
Prepayments and accrued income	5,883	5,882	4,830	4,830
	12,669	21,928	10,448	17,300

The loans include £3,572,000 (\$5 million) made during 2008/09 to Kuapa Kokoo Farmers Union Ltd for a period of 10 years with repayments starting in the sixth year. There is security for the loan and interest is payable. The loan has been revalued at the year end at £3,294,500.

Notes to the Financial statements For the year ended 31 July 2013

17. Creditors

(a) Amounts falling due within one year:

	2013		2012	
	Group £000	Charity £000	Group £000	Charity £000
Grants approved not yet paid	57,395	57,395	55,641	55,641
Other creditors	612	573	582	569
Taxation and social security	454	454	375	375
Amounts payable to subsidiary undertakings	-	752	-	-
Accruals and deferred income	828	747	853	799
	59,289	59,921	57,451	57,384

(b) Amounts falling due after more than one year

	2013		2012	
	Group £000	Charity £000	Group £000	Charity £000
Grants approved, not yet paid	79,633	79,633	68,775	68,775

18. Members' liability

The charity does not have a share capital and is limited by guarantee. In the event of the charity being wound up, the maximum amount which each member is liable to contribute is £1. There were 16 members at 31 July 2013 (2012: 16).

19. Analysis of Group net assets between funds

	Restricted funds £000	Unrestricted funds		Total funds	
		General £000	Designated £000	2013 £000	2012 £000
Fixed assets	-	3,912	137,990	141,902	157,399
Current assets	995	12,108	122,049	135,152	103,284
Current liabilities	(220)	(1,896)	(57,173)	(59,289)	(57,451)
Liabilities due after one year	-	-	(79,633)	(79,633)	(68,775)
Group net assets	775	14,124	123,233	138,132	134,457

Notes to the Financial statements For the year ended 31 July 2013

20. Unrestricted funds

	Balance 1 August 2012 £000	Incoming resources £000	Resources expended £000	Net investment (loss)/gains £000	Transfers £000	Balance 31 July 2013 £000
Group – General Fund	4,904	15,601	(22,094)	–	15,713	14,124
Charity – General Fund	4,754	14,015	(20,500)	(8)	15,713	13,974
Group and Charity Designated funds						
Grants						
Other	94,565	77,522	(78,700)	–	(564)	92,823
Common Ground Initiative	(1,835)	3,767	(3,054)	–	(60)	(1,182)
UKAid Match Funding	(2,044)	6,614	(5,150)	–	(28)	(608)
UKAid Match Slums	(33)	3,577	(6,226)	–	(7)	(2,689)
UKAid Match Funding Maanda	–	–	(2,665)	–	–	(2,665)
Give It Up Fund	–	512	–	–	–	512
	90,653	91,992	(95,795)	–	(659)	86,191
Other						
Investment Equalisation Fund	15,000	–	–	15,941	(15,941)	15,000
Comic Relief Foundation	20,000	–	(331)	–	331	20,000
Bill & Melinda Gates Foundation	1,598	500	(808)	–	–	1,290
Brand Relief Limited	760	–	–	–	(8)	752
	37,358	500	(1,139)	15,941	(15,618)	37,042
Designated funds – total	128,011	92,492	(96,934)	15,941	(16,277)	123,233

Transfers – the overall transfer of £564,000 (£15.7 million general less £16.2 million designated) from unrestricted to restricted funds represents prior year grant expenditure that is considered appropriate to be allocated against restricted funds (see note 21).

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

The Common Ground Initiative is managed by Comic Relief and co-funded by UKAid from the Department for International Development (DfID). £3.7 million was received in the year with £2.4 million awarded in grants in 2012-13.

UKAid Match Funding is a co-funding arrangement created as part of Red Nose Day 2011 whereby DfID committed to match fund £16 million of Red Nose Day funds raised by the public which Comic Relief has allocated for health and education projects in Africa. £6.6 million was received in the year with £4.9 million of grants awarded in 2012-13.

Notes to the Financial statements For the year ended 31 July 2013

20. Unrestricted funds (continued)

UKAid Match Funding Slums Initiative is a co-funding arrangement created as part of Sport Relief 2012 whereby DfID committed to match fund £10 million of Sport Relief funds raised by the public. Comic Relief received £3.5 million in the year and has allocated £5.9 million of grants in 2012-13 towards slums projects in four cities in Africa.

UKAid Match Funding Maanda Initiative is a co-funding arrangement created as part of Red Nose Day 2013 whereby DfID committed to match fund £16 million of Red Nose Day funds raised by the public which Comic Relief will allocate towards improving the lives of women and girls in sub-Saharan Africa. £2.6 million of grants were awarded in 2012-13.

The Give It Up Fund aims to increase access to abstinence based treatment for people with addictions and to help sustain recovery long term. The £512,000 income was raised at the Russell Brand Give It Up concert in March 2013.

The Investment Equalisation Fund balance has been kept at £15 million with any additional investment gains and losses in the year (both realised and unrealised) being transferred to the General Fund.

The Comic Relief Foundation has been established by the trustees to allow Comic Relief to continue to fulfil its mission independently of the current fundraising model. It was intended that the Foundation would become active once the funding reached at least £20 million. £331,000 was spent against the fund in 2012-13 and has been covered by a transfer from the General Fund.

The Bill and Melinda Gates Foundation – these funds have been designated by the trustees of Comic Relief to help create Red Nose Day in the USA, to develop creative ways of demonstrating success stories from Africa and to raise awareness around the health-based Millennium Development Goals.

Brand Relief – in 2008-9 Comic Relief received a donation of £2 million from a private donor, which in August 2009 was used to invest in redeemable preference shares in Brand Relief Limited. The funds were used to pay for the launch, advertising and promotion of the cooking sauces in Brand Relief.

Notes to the Financial statements For the year ended 31 July 2013

21. Restricted funds

Group and Charity	Balance 1 August 2012 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance 31 July 2013 £000
Barclays Bank Plc	100	-	-	(100)	-
The Baring Foundation	34	50	(60)	-	24
Bill & Melinda Gates Foundation	-	5,000	(5,000)	-	-
Department of Health	22	-	(22)	-	-
Give It Sum Fund	80	4	(96)	12	-
The A S Hornby Educational Trust	(50)	50	-	-	-
Laurie Family Fund	400	-	(340)	-	60
Manchester City F.C.	2	-	-	-	2
Nominet Trust	-	213	(203)	-	10
Other Restricted Funds	(56)	136	(74)	(1)	5
Premiership Rugby	(400)	10	-	302	(88)
Rugby Football League	(351)	-	-	351	-
Sainsbury's Fair Development Fund	13	63	144	-	220
The Scottish Sport Relief Home & Away Programme	1,571	30	(1,581)	-	20
Sing Fund	177	12	(180)	-	9
Steve Redgrave Fund	-	6	7	-	13
Supporters Club	-	500	-	-	500
Restricted funds	1,542	6,074	(7,405)	564	775

These restricted balances will be used to support future projects in accordance with Comic Relief's grant making principles and the wishes of the respective donors. Negative balances on these funds will be covered by future income to the fund. The transfer of £564,000 represents grant expenditure awarded in the prior year which donors have wished to fund and from whom restricted income has been received.

Barclays, the AS Hornby Educational Trust, Premiership Rugby and the Rugby Football League balances have/will be used to fund specified International and UK grants. The negative balance on the Premiership Rugby fund was covered by income received in August 2013.

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

The Bill and Melinda Gates Foundation is match funding a £10 million grant to the GAVI Alliance for its vaccine programs in sub-Saharan Africa.

The Department of Health have contributed £22,000 towards Panicoa - Comic Relief's research programme into elder abuse.

Robbie Williams Give It Sum Fund - is managed by Comic Relief in partnership with Robbie Williams and his team. Expenditure totalled £559,000 in the year including grants awarded of £532,000.

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

Nominet Trust - this income is for the Innovation Labs initiative, a multi-funder project engaging young people in co-designing and co-delivering new digital solutions to mental health and well-being problems in the UK.

Notes to the Financial statements For the year ended 31 July 2013

21. Restricted funds (continued)

Other Restricted Funds includes income from anonymous donors who have chosen to support specific areas of our grantmaking.

J. Sainsbury plc and Comic Relief support the Fair Development Fund through a £2m match-funding grant (£1m each) plus £1m in-kind contribution from Sainsbury's over the next four years. The Fair Development Fund targets workers and smallholder farmers in Sainsbury's supply chains across Africa, promoting fairer worker conditions and increased incomes to enable long-term sustainable livelihoods.

The Scottish Sport Relief Home & Away Programme has received £2.5m from The Scottish Government and £2.5m matched from Comic Relief. This will fund grants in Scotland and the poorest countries in the Commonwealth.

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

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

The Supporters Club is Comic Relief's new initiative in partnership with BT. 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.

22. Commitments under operating leases

At 31 July 2013, the Group had annualised operating commitments under non-cancellable operating leases expiring as follows:

Land and buildings: 2 to 5 years
Other: 2 to 5 years

Total

2013 £000	2012 £000
431	431
11	12
442	443

23. Management of liquid resources

Group

Purchase of current asset investments

2013 £000	2012 £000
28,435	51,099
28,435	51,099

24. Analysis of the changes in net funds

Group

Cash at bank and in hand
Current asset investments

Total

At 31 July 2013 £000	Cash flows	At 1 August 2012 £000
5,435	1,212	4,223
117,048	28,435	88,613
122,483	29,647	92,836

Photo credits: Lucille Flood, Gus Gregory, Trevor Leighton, Guy Levy, BBC, Sam Faulkner, Wiesia Bojko, Laura Pannack, Will Boase, Victoria Dawe, Sam Spurgeon, TK Maxx, Angelo Pennetta, Tom Dymond, Gary Moyes.

Thank you to: Brunswick; MerchantCantos; Martin Beaver; Lang Communications Limited.

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www.comicroelief.com

M13/307 Comic Relief is the operating name of Charity Projects, a registered charity 326568 (England/Wales); SC039730 (Scotland).

