

**CHARITY PROJECTS**  
(better known as Comic Relief)

Company number: 1806414  
Charity number: 326568(England and Wales)  
SC039730 (Scotland)

**CHARITY PROJECTS**  
(better known as Comic Relief)

**Trustees Report**  
**31 July 2012**

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Reference and administrative information**

### **Trustees**

Peter Bennett-Jones (Chair of Trustees, Remuneration and Nominations, and UK & International Grants Committees)

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 (UK Grants Committee, Commercial and Technology Board)

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

Lenny Henry CBE

Colin Howes (Remuneration and Nominations Committee)

Jim Hytner (International Grants Committee)

Priscilla Snowball CBE (Commercial and Technology Board)

Theo Sowa (International Grants Committee)

Imelda Walsh (Remuneration and Nominations Committee)

Robert S Webb QC (Finance and Risk Committee)

### **Secretary**

Colin Howes

### **Chief Executive**

Kevin Cahill CBE

### **Registered office**

14 Hanover Square

London W1S 1HP

### **Principal address**

1<sup>st</sup> 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

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Reference and administrative information**

### **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

### **Honorary trustees**

Duncan Bannatyne OBE  
John Bishop  
James Corden  
Fearne Cotton  
Emma Freud OBE  
Matthew Freud  
Professor Ian Goldin  
Miranda Hart  
Patrick Kielty  
Davina McCall  
Sir Steve Redgrave CBE  
JK Rowling OBE  
Jennifer Saunders  
David Tennant  
David Walliams  
Claudia Winkleman  
Reggie Yates

### **Honorary accountants**

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

### **Solicitors**

Harbottle and Lewis LLP  
14 Hanover Square  
London W1S 1HP

### **Company number**

1806414

### **Charity numbers**

326568 (England and Wales)  
SC039730 (Scotland)

# CHARITY PROJECTS

(better known as Comic Relief)

## Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)

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 2012. 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 pages forms 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.

### Principal Objective and Public Benefit

The principal objective of the charity and the group is to raise funds and awareness 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 with particular emphasis on Africa. In determining its grantmaking strategies, and in the administration of the charity generally, the trustees have paid due regard to the guidance published by the Charity Commission under Section 4 of the Charities Act 2006. Comic Relief continues to seek 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*'.

### Review of Activities

The trustees set the priorities for 2011/12 following the success of Sport Relief 2010. They were as follows:

1. Build on the success of Sport Relief 2010 to deliver an increased 2012 campaign.
2. Continue to embed innovation and creativity in the planning for Red Nose Day 2013.
3. Put in place the necessary arrangements should a Red Nose Day in the USA be confirmed.
4. Work with technology partners to find new ways to access and engage audiences to improve our fundraising and awareness building.
5. Continue to spend the increased levels of grants money effectively, and undertake a review of the grantmaking priorities including the measurement of impact and influence.
6. Do the thinking and planning around the vision for Comic Relief and its impact over the next six years.

The progress in respect of each of these objectives is detailed below:

### Sport Relief

Overall, the Sport Relief 2012 campaign raised over £67.9million – a 53% increase on the previous Sport Relief campaign in 2010. However it should be noted that this overall total included three large matched funding grants - £10million from UKAid, £2.5million from the Scottish Government and £2.5million from the Bill and Melinda Gates Foundation. Therefore the underlying public fundraising total was £52.9million. This figure can be compared to the equivalent figure in 2010, after excluding exceptional items, of £44.2million which gives an increase of 20% for the public fundraising campaign. Comic Relief has continued to grow its fundraising even in the grasp of these difficult economic times and trustees would like to thank the British public for their extraordinary generosity. They would also like to re-state their commitment that Comic Relief will put the public's money to effective and responsible use.

Sport Relief has become known for the incredible achievements of celebrities undertaking remarkable challenges and 2012 saw this taken to new levels. Celebrities and prominent people have always contributed their time and public recognition to support charities but

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)**

perhaps Sport Relief has upped the ante through the nature of these challenges, the fact that they are undertaken in the full glare of the media spotlight, and that they are broadcast in special TV documentaries. BT sponsored three challenges for Sport Relief 2012; For the BT Sport Relief Challenge: Walliams vs The Thames David Walliams swam 140 miles down the River Thames in 8 days (from Lechlade, Gloucester to Westminster), the BT Sport Relief Challenge: Bishop's Week of Hell saw John Bishop cycle from Paris to Calais in a day, row across the Channel on Day two and then run from Dover to Trafalgar Square in three days (making it a total of 290 miles in five days), and the BT Sport Relief Challenge: Flintoff's Record Breakers saw Freddie Flintoff set 14 Guinness World Records in 12 hours. And then there was Helen Skelton's expedition to the South Pole which she reached by means of skiing, kite skiing and cycling as if the task wasn't hard enough already. The public also got involved in a challenge, The One Show 1000, where members of the public helped to complete a 1000 mile relay from Mull to The Mall. All of these challenges involved a dedication and commitment that was truly awe-inspiring.

Sunday 17 March was one of the few days in the year when the weather blessed the whole country with warm sunshine. It was also the day of the Sainsbury's Sport Relief Mile. There were 17 'flagship' mile events in cities across the Four Nations with the London event being held for the first time on The Mall. These are all inclusive events and provide a chance for families to do something together to keep them fit and healthy. At all of the major mile events, fun family activities were available such as zorbing, climbing walls and bouncy castles and they proved to be a day to remember. In addition there were 694 local mile events organised by sports clubs and community groups. Combined with the mile activities arranged in schools and early years groups, it is estimated that more than a million people took part in a Sport Relief event by the end of the Sport Relief weekend.

Media coverage of Sport Relief 2012 was bigger and better than ever before, with coverage far exceeding 10,000 articles across national and regional media. There was more than 44 hours of coverage across national TV and Radio alone. BBC channels accounted for over 50% of our national TV coverage and once again Radio 1 was our most important and influential radio partner, providing 50% of the radio coverage and raising over £1m through text donations from its audience. And in the nations and regions there were 203 BBC TV features and almost 2,000 pieces of BBC local radio coverage during the campaign. In addition, BBC Worldwide created a bespoke package of Sport Relief content which was broadcast to 170 countries around the world. The relationship with the BBC is at the heart of Comic Relief's ability to engage with the British public and the trustees remain hugely grateful for the way the BBC embraces Comic Relief across all its operations.

Once again Community Cash for Sport Relief gave grants through partnerships with 16 regional daily newspapers – totalling £1million. These partnerships generated more than 850 pieces of print coverage including 53 front pages. In London, for the first time, Comic Relief partnered with the Evening Standard, giving a grant of £1million to its Dispossessed Fund which aims to tackle poverty and social inequality in London. Coverage about this and wider Sport Relief activity resulted in 78 pieces of coverage during the campaign, including two front covers. There was also innovation in the digital space as we implemented our first ever grant giving initiative with an online media partner – Netmums, the UK's fastest-growing parenting organisation which has more than 1.2 million members and three million unique users each month. With a grant pot of £200,000 to allocate to five projects across the UK, the Netmums audience were given the opportunity to fully engage with the work and propose how the money would be allocated. This interactive initiative, the most successful run by Netmums, allowed our core audience of mums across the UK to more fully understand the work that Comic Relief funds.

Our corporate partners continue to be a significant part of the fundraising campaign. In addition to their sponsorship of the Sport Relief Mile, Sainsbury's also produced and sold a whole range of merchandise, raising over £5.5million thanks also to the inspiring fundraising efforts of their amazing staff. Sports Direct produced the t-shirts for the first

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)**

time and raised over £1million.

In summary, the Sport Relief 2012 fundraising campaign proved to be a great achievement and the trustees would once again like to express their gratitude to everyone who contributed to its success.

### **Red Nose Day 2013**

Having considered the scale of the increase in the total raised for Red Nose Day 2011, and the current strain on family incomes and corporate budgets with the continuing difficult economic position, the trustees have decided, for the first time, to set targets for Red Nose Day in 2013 that do not anticipate any real increase in the fundraising total. Trustees believe that the targets that have been set will still be challenging and will require Comic Relief to remain innovative and creative across all areas of the campaign.

### **Red Nose Day USA**

Comic Relief has been engaged in discussions with a variety of US corporations over the last couple of years to develop a Red Nose Day in the US. The complexities of delivering such an event at scale in challenging economic times have made the original model difficult to adapt for the US market. Trustees remain of the view that there is a significant opportunity and demand for a Red Nose Day in the US and alternative models are currently under exploration.

### **Technology partners**

Comic Relief has always sought to use technology to assist in the effective delivery of its operations and over the years has been able to access partners who can provide sophisticated and sound solutions, often at rates substantially below market costs.

There were 4 new applications that were in various stages of development and deployment during the year. The FROST application is a fundraising and registration system that registered 226,000 participants who took part in the 711 different Sainsbury's Sport Relief Mile events, set up 151,000 pages that took over £3.7million in fundraising sponsorship and donations, and managed the fundraising operations behind the major celebrity fundraising events. Although there were some challenges during its development it performed as specified and was a significant factor in providing a good user journey for the mile participants and donors.

The year also saw the initial roll-out of a unified business system that will bring all the myriad data sources that have grown over the years into one space with one view. The grants management system that had been under development for over a year and was previously deployed in a limited fashion, has moved into a second substantial phase this year. The external supplier originally contracted to oversee and deliver the project had been significantly restructured, creating a series of challenges. We decided to re-tender phase two of the project, which was finalised during the year and a new supplier is now in place. The next generation of development of the grants system is underway with these new providers and it has been designed to provide a more flexible and cost effective platform, which will help meet the changing nature of grant making, grant management and learning, now and for the future. The build started of a new donations application to handle the donations on the night of TV. The volumes that the system is being built to cope with are at the extreme end of e-commerce capability, and it is being designed to deal with some of the bottlenecks and single points of failure that were inherent within the previous application.

### **Grantmaking**

For a second consecutive year, Comic Relief's grant making exceeded £80m. 253 grants were awarded in the UK totalling £32.3m and 93 international grants worth £45.7m. After cancellations (£3.7m) the net total of grants in 2011/12 was £78m. An analysis of the grants by programme area is shown in note 7 of the financial statements.

# CHARITY PROJECTS

(better known as Comic Relief)

## Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)

### Overview

As well as continuing to run our published grants programmes, the year was characterised by a number of overarching themes: 1. strengthening the systems that underpin our grant making and grant management; 2. developing partnerships with a range of other institutions, notably the relationship with the Department for International Development over the two international funding schemes (Common Ground Initiative and UKAid Match); 3. An increased focus and resource investment in compliance and transparency which will be on-going areas of work; 4. Taking forward our work as a 'Learning Organisation' on the impact of the grants we make; 5. Ensuring our grants programmes continue to engage the British public in appropriate ways through our Sport Relief 2012 campaign

Through 2012 we have also been reviewing our work of the last 4 years, towards a new grants strategy for 2013 onwards. This will reflect the changes in the wider world and particularly the significant shifts in UK public sector policy and funding, which has had a profound effect on UK voluntary & community sector organisations.

### Grant Making in UK

Particular highlights this year include the Mental Health Impact Study, which revealed that our support over the last 5 years had helped over 500,000 people to get their needs met more effectively and have a voice in decisions about their lives.

Since 2007 UnLtd (for social entrepreneurs) and Comic Relief have awarded £4m to 850 young people who are using sport to tackle community tensions and improve cohesion. In the last year, 23% of those young people secured employment, 28% gained a qualification and 55% improved their hopes for the future.

83% of the 11,500 children that Kids Company works with across 40 schools in London, achieved a positive education outcome – many of these young people have profound difficulties caused by traumatic events in their lives.

We have made a number of other key advances this year including: A review of the Young People and Sexual Exploitation programme during 2011/12 revealed that our support had helped over 120,000 young people who were either victims of abuse, or at serious risk. This is also linked to work to prevent young people being lured into situations where they are trafficked from their home countries in Eastern Europe. This includes a project in Albania, where the Government is using a Comic Relief funded film *Two Little Girls*, as a teaching resource that is integrated into the school curriculum. It is now being widely used across the country, ensuring that many more young people will be aware of the dangers of trafficking in order to help prevent it.

The findings from Comic Relief's Alcohol Hidden Harm cohort study – one of the very few studies in this area that we are aware of – were included in the Children's Commissioner for England's study into parental alcohol/substance misuse, *Silent Voices*

The '*Card Before You Leave*' Campaign, instigated by a Comic Relief funded organisation in Northern Ireland, ensures that no-one experiencing mental health issues leaves hospital without having appropriate follow up support in place. The campaign was so successful that the government signed up to the policy bringing about a lasting change across Northern Ireland.

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)**

### **Grant Making Internationally**

Comic Relief held its most successful Sport Relief ever in 2012 and a focus on vaccines as a tangible appeal to the public contributed to that success. A £5m grant was made to the Global Alliance for Vaccines and Immunisation (GAVI), in partnership with the Gates Foundation. This grant has already paid for 2,500 pneumococcal vaccines, 36,000 rotavirus vaccines and 374,000 pentavalent vaccines, across Africa.

In the last 10 years almost 900,000 people have directly benefitted from funding under our urban slums programme. Around 300,000 people have seen slum upgrading programmes tangibly improve their homes and communities through improved sanitation, access to clean water and house renovations.

The pioneering Children's Development Bank supported by Butterflies in India continues to grow with Comic Relief's support. It has over 10,000 active child members who make their living on the streets and railways of India's biggest cities, generating savings of 2.7 million rupees (£32,400). It has also helped ensure 85% of its members are in education.

The review of the Sainsbury's Fair Development Fund in 2012 revealed that seed funding helps farmers leverage greater financial support to grow their organisations. One example is a £50,000 grant, which led to an additional investment of \$933,000 that paid for a groundnut processing plant. This meant that the producers and smallholder farmers could work with UK supermarkets, which would be almost impossible without this kind of support.

### **Six year planning review**

Comic Relief works on a two year cycle of Red Nose Day and Sport Relief fundraising campaigns. During the year trustees undertook a review of the strategy covering the next 6 years to cover 3 Red Nose Days from 2013 and 3 Sport Reliefs to 2018. The top lines of the review are that Comic Relief is coming out of a period of extraordinary growth. The external environment poses a number of significant challenges, given the changing nature of the media landscape and depressed economic environment. Comic Relief's overall ambition for the next six years is to protect its position as a leader in its sector, focusing on its core business as a UK fundraiser and grant-maker. It will aim for modest fundraising growth in core campaigns and institutional funding; explore cost covering options for exporting its brands and formats internationally; and work to generate a new income stream that will help to future-proof the organisation.

The next era will be defined by:

1. Protecting brands by achieving modest growth in UK campaign revenue
2. Exporting brands and formats internationally and developing a significant new income stream
3. Remodelling the finances and managing costs tightly
4. Managing grants in an environment of changing needs and heightened transparency
- 5 The business is dependent on the skill, attitude and aptitude of staff and trustees. Managing transitions and succession well over this period will be crucial

### **Remodelling the finances**

Once again the economic environment continued to be very challenging with interest rates staying at record low levels with no immediate sign of any material change. The low level of interest rates continues to have a significant effect on Comic Relief's business model.

As part of the six year review the trustees addressed the financial position and business model. Comic Relief's income and the associated operating costs, have risen substantially over the past six years. Operating income is constrained by both the reduction in income from investments and the loss of Gift Aid transition relief, and the planning assumption is for modest growth over the next period in fundraising income. Operating costs will need to be similarly constrained but despite this 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 now includes



# CHARITY PROJECTS

(better known as Comic Relief)

## Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)

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 continue to be covered in cash or in kind from all types of supporters like corporate sponsors and donors, suppliers, generous individuals and government (including Gift Aid) as well as from investment income and interest.

In addition Trustees have decided to amend the investment policy in order to increase incoming resources to keep the finances in balance.

It was noted in last year's report that trustees agreed to override the policy limitation whereby the amount of funds that could be used for medium term investment in instruments other than cash, was limited to one half of the total funds available at the lowest point of the cash flow in March of each year. The success of Sport Relief in 2010 and particularly of Red Nose Day in 2011 had meant that the projection of the low point of the funds available, in March 2013, would be c£220million. The further success of Sport Relief in 2012 had lifted the projection by March 2014 to £230million. Trustees have agreed that the new policy will be that the amount to be held in cash should be set at the minimum sum of the grants due for payment within one year (c£60million) plus six months operating costs (c£10million) 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 £15million available within one month. The effect of this new policy is to increase the size of the portfolio available for broader investment from c£115million to c£150million. Similarly it was noted last year that the trustees had also overridden the investment policy of having capital preservation as the principal objective and had set an income target equivalent to a 3.5% yield. However the agreement by the BBC to commission both Red Nose Day and Sport Relief through 2016 means that the cash flow is sufficiently assured not to require income yield to be the principal aim of the investment portfolio but that it could be amended to work to a total return target. On the advice of the Investment Committee the trustees have set the total return target at 5.5% over a rolling five year period. The context for this is that the investment portfolio has achieved a total return of 5% over the past five years even during this extended period of considerable market disruption and volatility. The trustees recognise that this policy change could affect the risk/return balance of the portfolio but, using the advice of the Investment Committee, believe that the new target can be achieved whilst retaining the current asset allocation of the portfolio which has a risk profile which the trustees are satisfied is balanced and appropriate. The performance of the portfolio is monitored by WM Company (WM) and is included in their survey of c270 charity investment portfolios. In their annual report to trustees WM reported that the portfolio had been positioned with less absolute risk over the past five years than any other portfolio of more than £40million.

### Financial Review

The results for the year for the group are set out in the consolidated statement of financial activities on page 17. The position of the group at the end of the year is shown in the consolidated balance sheet on page 19. 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.

The group received £89.5million (2011: £121.5million) from events, trading, donations, investment income and corporate support. A total of 346 grants equating to £78million have been approved in the year (2011: 381 grants totalling £89million).

The split of the incoming resources of £89.5million between the unrestricted general funds, funds designated for grantmaking and other purposes, and restricted funds are shown in note 3. Grants awarded totalling £78million (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.

# CHARITY PROJECTS

(better known as Comic Relief)

## Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)

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 2012 is £4.9million. As stated in the section on the reserves policy on page 10, trustees undertook a review of the policy as part of the six year planning and strategy work. The revision to the level of balance to be held in the General Fund will commence from the start of the new financial year on 1 August 2012 and trustees are satisfied that the balance of £4.9million is commensurate with the new policy.

In 2004 the trustees decided to split out the movements arising from the charity's operating activities from those arising from changes in the valuation and holding of investments. They considered that this approach would show 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 £4.6million 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 the Fund at the beginning of this financial period stood at £11million. The trustees have decided to hold the balance in the Equalisation Fund at a level of 10% of the value of the investment portfolio and therefore gains of £4million have been retained in the Equalisation Fund in order to increase it to £15million (c10% of the value of the investment portfolio of £155million). The remaining £600,000 of gains in the period has been transferred to the Grants 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. It was always intended that the Foundation would become active when the fund balance had reached at least £20million. A limited range of activities took place in the year under review the costs of which totalled £96,000. In the light of the level of the funds available in the General Fund a transfer of £96,000 has been made back into the Foundation so that its balance can be re-instated to £20million.

### **Investment policy**

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 that year. The funds will then be awarded in grants over the 2 years before the next Red Nose Day or Sport Relief campaign with the great majority of the grants being multi-year, often for 3 years but sometimes for up to 5 years. These grants are scheduled for payment in tranches over the period of the grant to ensure the money is being spent as agreed. Sufficient funds will be held in cash or cash equivalents to meet all grant commitments for the next 12 months (this amounted to £58million at 31 July 2012). 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.

Comic Relief's Investment Policy covers the whole portfolio of assets that it plans to invest and consists of a Cash Portfolio and an Investment Portfolio. In order to achieve Comic Relief's Investment Policy the aims for the Cash Portfolio and Investment Portfolio will be as follows: -

#### Cash portfolio

- Sufficient funds will be held in cash or cash equivalents to meet all grant commitments for the next 12 months (this amounted to £58million at 31 July 2012).
- In addition Comic Relief will hold six months' worth of operating expenses in cash or cash equivalents at all times (c£10million).
- Within the cash holdings £15million will always be available within 1 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.

# CHARITY PROJECTS

(better known as Comic Relief)

## Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)

### Investment portfolio

- Based on the low point in investable assets over the fundraising cycle, the residual amount of funds available for longer term investment will commence at c£150million for the financial year commencing 1 August 2012.
- 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 would be used to provide protection for the General Fund from market volatility and will be set at a target rate of £15million/10% of the Investment Portfolio.

Trustees delegate oversight and day to day 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 City 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.

### **Investment performance**

The previous investment policy target of outperforming cash had meant that the portfolio had always been constructed in a risk averse way. That construction had served its purpose over the extended period of market volatility over the past few years. The portfolio achieved gains in the year to 31 July 2012 of £4.6million and the Investment Equalisation Fund, which had been established by trustees to protect the General Fund from investment losses, has increased from £11million to £15million to achieve the revised policy target of 10% of the value of the Investment Portfolio. This balance continues to afford a degree of protection to the General Fund.

The performance of the portfolio is monitored by WM Company (WM) and is included in their survey of c270 charity investment portfolios. In their annual report to trustees WM reported that the portfolio had achieved a return of 11.4% in the year to 30 September 2012, an annualised return of 8.1% over three years and 5.0% over five years. By way of comparison, the WM survey of all the charities they measure reported an average gain of 13.3% over one year, an annualised gain of 7.3% over three years and of 2.6% over five years. The trustees were also pleased to note that the performance 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 benchmark had improved performance while taking less risk.

The diversified nature of the portfolio and the use of managed retail funds to achieve the delivery of the investment policy and targets mean that the use of screening for environmental or ethical purposes is not practical. However the trustees are keen to engage with the fund managers and encourage them to increase their emphasis on their corporate social engagement with the companies in their funds.

The trustees are very grateful to the Investment Committee for their advice, work, time and commitment to help steer Comic Relief through this continuing volatile and difficult investment period.

### **Reserves policy**

The trustees reviewed the Reserves Policy as part of the six year strategy exercise. The fundamental position remains as stated in the first paragraph below but trustees did not believe that the level of the balance previously envisaged for the General Fund remained appropriate. The trustees have set the revised 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

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)**

ability to continue its operations. The positive cash flow generated by the annual fundraising event will 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 was 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 as has been used for the Investment Policy. The target balance on the General Fund across the period covered by the six year strategy to 2018 is £10million, equivalent to six months' operating costs and in line with the amount always to be held within the cash portfolio for this eventuality. However the significantly greater level of unrestricted income to cover the organisation's costs that is generated in a Red Nose Day year than in a Sport Relief year will mean that the annual balance on the General Fund can vary. 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 2012 is £4.9 million. The policy stated above will commence in the new financial year from 1 August 2012 and trustees are satisfied that this balance is in line with the new policy, the budget set for 2012/13 and the planning assumptions for 2013/14.

### **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, for further development of specific areas for future support or for learning and evaluation of the impact of the grants programmes) the total raised from each event over an approximate two year period.

Copies of the current strategy and criteria are available on the website or by post from Comic Relief, 89 Albert Embankment, London SE1 7TP.

### **Employment policies and involvement**

Comic Relief is committed to employing the best people for the job, including those who 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: colour, race, 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 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 monthly 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 e-mail newsletter (which is also sent to employees on maternity leave).

# CHARITY PROJECTS

(better known as Comic Relief)

## Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)

### Tangible fixed assets

The changes in tangible fixed assets during the period are shown in note 13 to the financial statements.

### Going concern

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

### Plans for Future Periods

Overall, Comic Relief has two main priorities. Firstly, to continue to deliver popular fundraising campaigns which can demonstrate broad public support for the fight against poverty at home and across the world. Secondly, to be an effective grantmaker and create real and lasting change for poor and vulnerable people in the UK and internationally.

The trustees have set the following priorities for 2012/13.

- 1 Renew our focus on effective creativity and innovation, and capitalise on the outstanding success of Red Nose Day 2011*
- 2 Determine the optimum size and format for Sport Relief 2014 in order to continue to deliver growth based on the analysis of Sport Relief 2012 performance*
- 3 Determine the size of the opportunity for new revenue streams and identify the best Research & Development model to enable us to capitalise on those opportunities*
- 4 Deliver the next phase of technology capital projects, including phase 2 of the Grants Management System, the next iteration of FROST and the delivery of a new donations platform*
- 5 Implement the new Grants Strategy to focus on the change we can make, the impact we can measure and increasing our communicability and responsiveness as a funder.*
- 6 Implement the financial model and investment policy changes as outlined in the 6-Year Strategy.*

### Structure, Governance and Risk Management

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

The ultimate control of Comic Relief is vested in the trustees. 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 three Grants Committees (including the Robbie Williams' Give It Sum Committee), Finance and Risk, Investment, and Remuneration and Nominations Committees, all of which meet regularly. 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.

As part of the six year strategy trustees 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 most significant risk. A Reputation Risk Management Group, comprising trustees and others with substantial and appropriate reputation management experience, advise trustees when matters arise requiring their input. Comic Relief is a member of the Fundraising Standards Board (FRSB) and subscribes to its fundraising charter.

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)**

The trustees consider they have established appropriate systems to anticipate the risks identified and to evaluate further risks as they arise. The trustees believe that implementation of agreed actions and procedures will reduce the probability and the impact of these risks significantly affecting the charity.

### **The trustees**

The following held office as trustees during the year:

Peter Bennett-Jones (Chair of trustees)  
Richard Curtis CBE (Vice Chair of trustees)  
Suzi Aplin (appointed July 2011)  
Duncan Bannatyne OBE (retired September 2011)  
Diana Barran MBE  
Jana Bennett OBE (retired December 2011)  
Harry Cayton OBE  
Joe Cerrell  
Tristia Clarke  
George Entwistle (retired September 2012)  
Emma Freud OBE (retired September 2011)  
Matthew Freud (retired September 2011)  
Michael Harris  
Lenny Henry CBE  
Colin Howes  
Jim Hytner  
Claudia Lloyd (retired March 2012)  
Alec McGivan (retired February 2012)  
J K Rowling OBE (retired September 2011)  
Sir Steve Redgrave CBE (retired September 2011)  
Priscilla Snowball CBE (appointed July 2011)  
Theo Sowa  
Imelda Walsh (appointed September 2011)  
Robert S Webb QC (appointed December 2011)

# **CHARITY PROJECTS**

(better known as Comic Relief)

## **Report of the Trustees for the year ended 31 July 2012 (incorporating the Directors' Report)**

### **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  
30/01/2013

# 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 July 31 2012 set out on pages 17 to 40. 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 14, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## 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 July 31, 2012 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



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

- 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

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

**CHARITY PROJECTS**  
(better known as Comic Relief)

**Consolidated statement of financial activities  
(incorporating an Income and Expenditure Account)  
For the year ended 31 July 2012**

	Unrestricted funds				2012 £000	2011 £000
	General £000	Designated Grants £000	Other £000	Restricted funds £000		
<b>Incoming resources (1e)</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	5,743	61,677	944	6,852	<b>75,216</b>	101,578
Activities for generating funds	5,356	2,535	-	-	<b>7,891</b>	13,018
Investment income (5)	6,350	-	-	8	<b>6,358</b>	6,914
<b>Total incoming resources (3)</b>	<u>17,449</u>	<u>64,212</u>	<u>944</u>	<u>6,860</u>	<u><b>89,465</b></u>	<u>121,510</u>
<b>Resources expended (1g)</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income	15,777	-	176	4	<b>15,957</b>	11,247
Fundraising trading and other costs	1,619	-	-	-	<b>1,619</b>	1,601
Investment management costs	144	-	-	-	<b>144</b>	79
	<u>17,540</u>	<u>-</u>	<u>176</u>	<u>4</u>	<u><b>17,720</b></u>	<u>12,927</u>
<b>Charitable activities</b>						
Tackling poverty and social injustice:						
UK grantmaking	1,978	29,802	-	2,553	<b>34,333</b>	40,181
International grantmaking	2,207	42,851	-	2,915	<b>47,973</b>	53,047
Global awareness, education and social change	3,997	-	208	-	<b>4,205</b>	4,174
	<u>8,182</u>	<u>72,653</u>	<u>208</u>	<u>5,468</u>	<u><b>86,511</b></u>	<u>97,402</u>
<b>Governance costs</b>	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>77</b></u>	<u>114</u>
<b>Total resources expended (6)</b>	<u>25,799</u>	<u>72,653</u>	<u>384</u>	<u>5,472</u>	<u><b>104,308</b></u>	<u>110,443</u>
Net (outgoing)/incoming resources for the year	(8,350)	(8,441)	560	1,388	<b>(14,843)</b>	11,067
Realised (losses)/gains on investment assets	-	-	(77)	-	<b>(77)</b>	4,115
Net (outgoing)/incoming resources for the year before transfers	(8,350)	(8,441)	483	1,388	<b>(14,920)</b>	15,182
Net transfers between funds (20/21)	910	398	(664)	(644)	-	-
Net (expenditure)/income for the year	<u>(7,440)</u>	<u>(8,043)</u>	<u>(181)</u>	<u>744</u>	<u><b>(14,920)</b></u>	<u>15,182</u>
Unrealised gains on investment assets (14b)	-	-	4,692	-	<b>4,692</b>	2,498
<b>Net movement in funds</b>	<u>(7,440)</u>	<u>(8,043)</u>	<u>4,511</u>	<u>744</u>	<u><b>(10,228)</b></u>	<u>17,680</u>
Total funds brought forward at 1 August 2011	<u>12,344</u>	<u>98,696</u>	<u>32,847</u>	<u>798</u>	<u><b>144,685</b></u>	<u>127,005</u>
<b>Total funds carried forward at 31 July 2012 (20/21)</b>	<u>4,904</u>	<u>90,653</u>	<u>37,358</u>	<u>1,542</u>	<u><b>134,457</b></u>	<u>144,685</u>

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 23 to 40.

# CHARITY PROJECTS

(better known as Comic Relief)

## Charity statement of financial activities (incorporating an Income and Expenditure Account) For the year ended 31 July 2012

	Unrestricted funds				2012 £000	2011 £000
	General £000	Designated Grants £000	Other £000	Restricted funds £000		
<b>Incoming resources (1e)</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income (3)	5,743	61,677	944	6,852	<b>75,216</b>	101,578
Gift Aid from Comic Relief Limited (4)	3,891	2,535	-	-	<b>6,426</b>	11,733
Investment income	6,196	-	-	8	<b>6,204</b>	6,851
<b>Total incoming resources</b>	<u>15,830</u>	<u>64,212</u>	<u>944</u>	<u>6,860</u>	<b>87,846</b>	120,162
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary						
Income (6a)	15,777	-	176	4	<b>15,957</b>	11,247
Investment management costs (6a)	144	-	-	-	<b>144</b>	79
	<u>15,921</u>	<u>-</u>	<u>176</u>	<u>4</u>	<b>16,101</b>	11,326
<b>Charitable activities (6a)</b>						
Tackling poverty and social injustice:						
UK grantmaking	1,978	29,802	-	2,553	<b>34,333</b>	40,181
International grantmaking	2,207	42,851	-	2,915	<b>47,973</b>	53,047
Global awareness, education and social change	3,997	-	208	-	<b>4,205</b>	4,174
	<u>8,182</u>	<u>72,653</u>	<u>208</u>	<u>5,468</u>	<b>86,511</b>	97,402
<b>Governance costs (6a)</b>	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b>77</b>	114
<b>Total resources expended</b>	<u>24,180</u>	<u>72,653</u>	<u>384</u>	<u>5,472</u>	<b>102,689</b>	108,842
Net (outgoing)/incoming resources for the year	(8,350)	(8,441)	560	1,388	<b>(14,843)</b>	11,320
Realised (losses)/gains on investment assets	-	-	(77)	-	<b>(77)</b>	4,115
Net (outgoing)/incoming resources for the period before transfers	(8,350)	(8,441)	483	1,388	<b>(14,920)</b>	15,435
Net transfers between funds (20/21)	910	398	(664)	(644)	-	-
Net (expenditure)/income for the year	<u>(7,440)</u>	<u>(8,043)</u>	<u>(181)</u>	<u>744</u>	<b>(14,920)</b>	15,435
Unrealised loss on investment asset (14a)	(145)	-	-	-	<b>(145)</b>	(1,095)
Unrealised gains on investment assets (14b)	-	-	4,692	-	<b>4,692</b>	2,498
<b>Net movement in funds</b>	<u>(7,585)</u>	<u>(8,043)</u>	<u>4,511</u>	<u>744</u>	<b>(10,373)</b>	16,838
Total funds brought forward at 1 August 2011	12,339	98,696	32,847	798	<b>144,680</b>	127,842
<b>Total funds carried forward at 31 July 2012 (20/21)</b>	<u>4,754</u>	<u>90,653</u>	<u>37,358</u>	<u>1,542</u>	<b>134,307</b>	144,680

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 23 to 40.

# CHARITY PROJECTS

(better known as Comic Relief)

## Consolidated balance sheet as at 31 July 2012

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible assets	12	79	50
Tangible assets	13	2,966	2,635
Investments	14a	154,354	114,560
		<u>157,399</u>	<u>117,245</u>
<b>Current assets</b>			
Investments	15	88,613	139,712
Debtors	16	10,448	14,842
Cash at bank and in hand		4,223	4,381
		<u>103,284</u>	<u>158,935</u>
<b>Creditors: amounts falling due within one year</b>	17a	<u>(57,451)</u>	<u>(65,073)</u>
<b>Net current assets</b>		<u>45,833</u>	<u>93,862</u>
<b>Total assets less current liabilities</b>		<b>203,232</b>	211,107
<b>Creditors: amounts falling due after more than one year</b>	17b	<u>(68,775)</u>	<u>(66,422)</u>
<b>Net assets</b>	19	<u>134,457</u>	<u>144,685</u>
<b>Funds</b>			
Unrestricted funds			
General fund	20	4,904	12,344
Designated funds	20	128,011	131,543
		<u>132,915</u>	<u>143,887</u>
Restricted funds	21	1,542	798
		<u>134,457</u>	<u>144,685</u>

Approved by the trustees on 30/01/2013 and signed and authorised for issue on their behalf by:

	)	
	)	
PETER BENNETT-JONES	)	
	)	Trustees
	)	
	)	
	)	
MICHAEL HARRIS	)	

The notes on pages 23 to 40 form part of these financial statements.

# CHARITY PROJECTS

(better known as Comic Relief)

## Charity balance sheet as at 31 July 2012

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Tangible assets	13	<b>2,966</b>	2,635
Investments	14a	<b>155,114</b>	115,465
		<hr/>	<hr/>
		<b>158,080</b>	118,100
<b>Current assets</b>			
Investments	15	<b>81,275</b>	129,535
Debtors	16	<b>17,300</b>	25,521
Cash at bank and in hand		<b>3,811</b>	2,838
		<hr/>	<hr/>
		<b>102,386</b>	157,894
Creditors: amounts falling due within one year	17a	<b>(57,384)</b>	(64,892)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>45,002</b>	93,002
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>203,082</b>	211,102
<b>Creditors:</b> amounts falling due after more than one year	17b	<b>(68,775)</b>	(66,422)
		<hr/>	<hr/>
<b>Net assets</b>		<b>134,307</b>	144,680
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds</b>			
Unrestricted funds			
General fund	20	<b>4,754</b>	12,339
Designated funds	20	<b>128,011</b>	131,543
		<hr/>	<hr/>
		<b>132,765</b>	143,882
Restricted funds	21	<b>1,542</b>	798
		<hr/>	<hr/>
		<b>134,307</b>	144,680
		<hr/> <hr/>	<hr/> <hr/>

Approved by the trustees on 30/01/2013 and signed and authorised for issue on their behalf by:

	)	
	)	
PETER BENNETT-JONES	)	
	)	
	)	Trustees
	)	
	)	
MICHAEL HARRIS	)	

The notes on pages 23 to 40 form part of these financial statements.

**CHARITY PROJECTS**  
(better known as Comic Relief)

**Consolidated cash flow statement**  
**For the year ended 31 July 2012**

a)	<b>Reconciliation of net incoming/(outgoing) resources to net cash inflow/(outflow) from operating activities</b>	<b>Notes</b>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
	Net (outgoing)/incoming resources		(14,843)	11,067
	Depreciation and amortisation		1,382	1,028
	Investment income		(6,358)	(6,914)
	Increase/(decrease) in debtors		4394	(4,705)
	(Decrease)/increase in creditors		(5,269)	29,582
	<b>Net cash (outflow)/ inflow from operating activities</b>		<b>(20,694)</b>	<b>30,058</b>
b)	<b>Cashflow Statement</b>			
	<b>Net cash (outflow)/inflow from operating activities</b>		<b>(20,694)</b>	<b>30,058</b>
	<b>Returns on investments and servicing of finance:</b>			
	Investment income		<b>6,358</b>	<b>6,914</b>
	<b>Capital expenditure and financial investment</b>			
	Receipts from sale of fixed asset investments		<b>62,467</b>	78,561
	Payments to acquire fixed asset investments		<b>(97,646)</b>	(78,348)
	Payments to acquire tangible and intangible fixed assets		<b>(1,742)</b>	(2,337)
			<b>(36,921)</b>	(2,124)
	<b>Management of liquid resources</b>	23a	<b>51,099</b>	(33,918)
	<b>(Decrease)/increase in cash in the year</b>	24a	<b>(158)</b>	<b>930</b>
c)	<b>Reconciliation of net cash flow</b>			
	<b>(Decrease)/increase in cash in the year</b>		<b>(158)</b>	930
	Cash used in management of liquid resources		<b>(51,099)</b>	33,918
	<b>Change in net funds resulting from cash flows</b>		<b>(51,257)</b>	34,848
	<b>Net funds at 1 August 2011</b>		<b>144,093</b>	109,245
	<b>Net funds at 31 July 2012</b>	24a	<b>92,836</b>	144,093

The notes on pages 23 to 40 form part of these financial statements.

**CHARITY PROJECTS**  
(better known as Comic Relief)

**Charity cash flow statement**  
**For the year ended 31 July 2012**

a)	<b>Reconciliation of net incoming/(outgoing) resources to net cash inflow/(outflow) from operating activities</b>	<b>Notes</b>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
	Net (outgoing)/incoming resources		(14,843)	11,320
	Depreciation and amortisation		1,367	1,018
	Investment income		(6,204)	(6,851)
	Decrease/(increase) in debtors		8,221	(6,307)
	(Decrease)/Increase in creditors		(5,155)	29,464
	<b>Net cash (outflow)/inflow from operating activities</b>		<b>(16,614)</b>	<b>28,644</b>
b)	<b>Cashflow Statement</b>			
	<b>Net cash (outflow)/inflow from operating activities</b>		<b>(16,614)</b>	<b>28,644</b>
	<b>Returns on investments and servicing of finance:</b>			
	Investment income		<b>6,204</b>	<b>6,851</b>
	<b>Capital expenditure and financial investment</b>			
	Receipts from sale of fixed asset investments		<b>62,467</b>	78,561
	Payments to acquire fixed asset investments		<b>(97,646)</b>	(78,348)
	Payments to acquire tangible and intangible fixed assets		<b>(1,698)</b>	<b>(2,311)</b>
			<b>(36,877)</b>	<b>(2,098)</b>
	<b>Management of liquid resources</b>	23b	<b>48,260</b>	<b>(33,131)</b>
	<b>Increase in cash in the year</b>	24b	<b>973</b>	<b>266</b>
c)	<b>Reconciliation of net cash flow</b>			
	<b>Increase in cash in the year</b>		<b>973</b>	266
	Cash used in management of liquid resources		<b>(48,260)</b>	33,131
	<b>Change in net funds resulting from cash flows</b>		<b>(47,287)</b>	33,397
	<b>Net funds at 1 August 2011</b>		<b>132,373</b>	98,976
	<b>Net funds at 31 July 2012</b>	24b	<b>85,086</b>	<b>132,373</b>

The notes on pages 23 to 40 form part of these financial statements.

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements For the year ended 31 July 2012

### 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 2012, on a line by line basis.

#### 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% - 33 <sup>1</sup> / <sub>3</sub> % straight-line basis
Office premises (refurbishment)	20% straight-line basis

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

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

#### d) Investments

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

#### e) Incoming resources

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.



# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 1. Accounting policies (continued)

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.

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.

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 1. Accounting policies (continued)

##### 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 and cash flow statement

A separate statement of financial activities and cash flow statement 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				Total 2012 £000	Total 2011 £000
	General £000	Designated Grants £000	Other £000	Restricted funds £000		
<b>Voluntary income</b>						
Fundraising events	-	49,326	-	628	<b>49,954</b>	85,863
Grant income (notes 20,21)	-	12,351	944	4,961	<b>18,256</b>	6,680
Voluntary donations	-	-	-	1,237	<b>1,237</b>	118
Gift Aid	5,176	-	-	4	<b>5,180</b>	8,526
Contributions to operating costs	567	-	-	22	<b>589</b>	391
	<u>5,743</u>	<u>61,677</u>	<u>944</u>	<u>6,852</u>	<b><u>75,216</u></b>	<u>101,578</u>
<b>Activities for generating funds</b>						
Trading income from:						
Comic Relief Limited (note 4)	5,349	2,450	-	-	<b>7,799</b>	12,817
Brand Relief Limited (note 4)	7	85	-	-	<b>92</b>	201
	<u>5,356</u>	<u>2,535</u>	<u>-</u>	<u>-</u>	<b><u>7,891</u></b>	<u>13,018</u>
<b>Investment income (note 5)</b>	6,350	-	-	8	<b>6,358</b>	6,914
	<u>17,449</u>	<u>64,212</u>	<u>944</u>	<u>6,860</u>	<b><u>89,465</u></b>	<u>121,510</u>

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 3. Total incoming resources – Group (cont'd)

2012 was a Sport Relief year whereas the comparative 2011 period was a Red Nose Day year.

In 2012, grant income of £18.2million comprised of funding from the Department for International Development of £12.4million, the Bill & Melinda Gates Foundation of £3.4million, The Scottish Executive £2.5million, The A S Hornby Educational Trust £50,000, The Baring Foundation £50,000, and a refund to The Hunter Foundation of £145,000 (see note 21). 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 £2.4million, (2011 £10.1million), and income of £5.3million from licensing activities and sponsorship received to help to cover costs (2011 £2.7million). Operating income of £85,000 (2011 £190,000) consists of royalty income from Brand Relief Limited. Brand Relief Limited's turnover consists of royalty income generated from the sale of cooking sauces of £92,000 (2011 £201,000).

#### 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:

	<b>Comic Relief Ltd</b>	<b>Brand Relief Ltd</b>
	<b>2012</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Turnover	7,799	92
Other operating income	85	-
Overhead expenditure	(1,460)	(244)
Operating profit/(loss)	<u>6,424</u>	<u>(152)</u>
Interest receivable	147	7
Profit/(loss) on ordinary activities before and after taxation	<u>6,571</u>	<u>(145)</u>
Payment under Gift Aid	(6,426)	-
<b>Retained profit/(loss) for the year</b>	<u><u>145</u></u>	<u><u>(145)</u></u>
<b>Assets and liabilities</b>	<b>2012</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Fixed assets	79	-
Current assets	7,692	868
Current liabilities	(7,621)	(108)
Net current (liabilities)/assets	<u>71</u>	<u>760</u>
Long term liabilities	-	(2,000)
<b>Net assets/(liabilities)</b>	<u><u>150</u></u>	<u><u>(1,240)</u></u>

Comic Relief and Gordon Ramsay have decided to bring the Seriously Good sauce range activity in Brand Relief Ltd to a close by the end of December 2012.

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 5. Investment income - Group

	2012 £000	2011 £000
Dividends	3,583	4,703
Other interest receivable	2,775	2,211
	<u>6,358</u>	<u>6,914</u>

#### 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	2012 Total £000	2011 Total £000
<b>Costs of generating funds</b>						
Costs of generating voluntary income	-	7,195	1,969	6,793	15,957	11,247
Fundraising trading and other costs	-	782	241	596	1,619	1,601
Investment management costs	-	-	144	-	144	79
	<u>-</u>	<u>7,977</u>	<u>2,354</u>	<u>7,389</u>	<u>17,720</u>	<u>12,927</u>
<b>Charitable activities</b>						
Tackling poverty and social injustice:						
UK grantmaking	32,318	1,386	404	225	34,333	40,181
International grantmaking	45,712	1,424	369	468	47,973	53,047
Global awareness, education and social change	-	2,741	756	708	4,205	4,174
	<u>78,030</u>	<u>5,551</u>	<u>1,529</u>	<u>1,401</u>	<u>86,511</u>	<u>97,402</u>
<b>Governance costs</b> (note 6c)	-	12	62	3	77	114
<b>Total resources expended</b>	<u>78,030</u>	<u>13,540</u>	<u>3,945</u>	<u>8,793</u>	<u>104,308</u>	<u>110,443</u>

#### Resources expended include:

	2012 £000	2011 £000
Auditor's remuneration:		
Audit fee (group)	55	52
Accountancy, taxation and other services	14	9
Operating lease rentals - land and buildings, and other	443	443
Depreciation and amortisation	1,382	1,028
	<u>1,894</u>	<u>1,531</u>

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### b) Analysis of support costs - Group

	Premises £000	Depreciation £000	IT & Office £000	HR, Finance & Management £000	2012 Total £000	2011 Total £000
<b>Costs of generating funds</b>						
Costs of generating voluntary income	492	695	463	319	<b>1,969</b>	1,848
Fundraising, trading and other costs	42	85	40	74	<b>241</b>	226
Investment management costs	-	-	-	144	<b>144</b>	79
<b>Charitable activities</b>						
Tackling poverty and social injustice:						
UK grantmaking	96	157	90	61	<b>404</b>	383
International grantmaking	87	144	82	56	<b>369</b>	353
Global awareness, education and social change	178	294	168	116	<b>756</b>	598
Governance costs	4	7	8	43	<b>62</b>	57
<b>Total support costs</b>	<b>899</b>	<b>1,382</b>	<b>851</b>	<b>813</b>	<b>3,945</b>	<b>3,544</b>

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

#### c) Analysis of governance costs - Group

	2012 £000	2011 £000
Internal audit	<b>7</b>	10
External audit (charity only)	<b>29</b>	27
Trustee indemnity insurance	<b>5</b>	7
Legal & professional fees	<b>1</b>	44
Trustees' and committees' costs	<b>2</b>	3
Apportionment of staff & other costs	<b>33</b>	23
<b>Total governance costs</b>	<b>77</b>	<b>114</b>

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

7.	<b>Charitable activities - grants awarded – Group &amp; Charity</b>	<b>2012</b>	<b>2011</b>
		<b>£000</b>	<b>£000</b>
	<b>Tackling Poverty and Social Injustice - UK</b>		
	<b>Unrestricted</b>		
	Young People		
	Young People with Mental Health Problems	<b>2,015</b>	3,099
	Young People with Alcohol Problems	<b>3,285</b>	2,202
	Sexually Exploited and Trafficked Young People	<b>2,612</b>	2,937
	Young Carers	-	10
	Refugees and Asylum Seekers	<b>1,900</b>	1,887
	Domestic and Sexual Abuse	<b>2,709</b>	2,872
	Local Communities	<b>7,395</b>	6,997
	Older People	<b>3,662</b>	2,991
	Mental Health	<b>2,180</b>	8,019
	Elder Abuse Initiative	<b>18</b>	37
	Sport for Change	<b>3,581</b>	6,512
	Special Applications	<b>1,249</b>	-
	Other grants	-	566
	Cancelled grants	<b>(1,036)</b>	(196)
	Learning & Evaluation direct costs	<b>232</b>	189
	<b>Total UK grants - Unrestricted</b>	<b>29,802</b>	38,122
	<b>Restricted</b>		
	Give it Sum		
	Total approvals	<b>542</b>	287
	Total cancelled grants	<b>(10)</b>	(119)
	Total Give It Sum	<b>532</b>	168
	Steve Redgrave Fund	<b>202</b>	-
	Other Restricted	<b>1,782</b>	-
	<b>Total UK grants - Restricted</b>	<b>2,516</b>	168
	<b>Total UK grants (note 6a)</b>	<b>32,318</b>	38,290

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

7.	<b>Charitable activities - grants awarded - Group &amp; Charity (cont'd)</b>	<b>2012</b>	2011
		<b>Total</b>	Total
		<b>£000</b>	£000
	<b>Tackling Poverty and Social Injustice - International</b>		
	<b>Unrestricted</b>		
	Climate Change	450	106
	Devolved Grant-Making to African Grant Makers	150	8,000
	Education**	9,513	1,202
	Education (Common Ground Initiative)*	559	510
	Enterprise and Employment (Common Ground Initiative)*	1,153	2,279
	Health**	10,169	3,765
	Health (Common Ground Initiative)*	1,227	686
	Horn of Africa Famine Response	160	828
	Organisational Development (Common Ground Initiative)*	233	337
	People Affected by Conflict	442	1,954
	People Living in Urban Slums	2,819	6,471
	People Affected by HIV/AIDS	1,831	4,104
	Sport for Change	2,953	2,229
	Street and Working Children and Young People	5,289	7,380
	Trade	4,324	4,526
	Women & Girls	3,440	4,379
	Other	70	2,314
	Cancelled Grants	(2,347)	(846)
	Learning & Evaluation direct costs	416	322
	<b>Total International Grants – Unrestricted</b>	<b>42,851</b>	<b>50,546</b>
	<b>Restricted</b>		
	Total approvals	3,152	208
	Total cancellations	(291)	-
	<b>Total International Grants – Restricted</b>	<b>2,861</b>	<b>208</b>
	<b>Total International Grants (Note 6a)</b>	<b>45,712</b>	<b>50,754</b>
	<b>Total Grants expenditure – Unrestricted</b>	<b>72,653</b>	<b>88,668</b>
	<b>Total Grants expenditure – Restricted</b>	<b>5,377</b>	<b>376</b>
	<b>Total Grants expenditure (note 6a)</b>	<b>78,030</b>	<b>89,044</b>

\*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

An analysis of our grants is available from Comic Relief, 89 Albert Embankment, London SE1 7TP, or on our website [www.comicrelief.com](http://www.comicrelief.com).

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 8. Staff - Group

	<b>2012</b> <b>Full time</b> <b>equivalent</b> <b>N°</b>	2011 Full time equivalent N°
The average weekly number of persons employed by the group during the year was:		
Fundraising	<b>63</b>	61
Operations	<b>56</b>	49
Education/communications	<b>50</b>	40
Grant-giving	<b>51</b>	49
Red Nose Day staff team	<b>8</b>	27
Sport Relief staff team	<b>48</b>	10
Innovation team	<b>10</b>	10
	<b><u>286</u></b>	<u>246</u>
	<b>2012</b>	2011
	<b>£000</b>	£000
Staff costs for the above persons comprised:-		
Wages and salaries	<b>10,225</b>	8,855
Social security costs	<b>1,014</b>	882
Pension costs	<b>872</b>	761
	<b><u>12,111</u></b>	<u>10,498</u>
Agency staff	<b>1,429</b>	1,144
	<b><u>13,540</u></b>	<u>11,642</u>
The number of employees earning over £60,000 per annum, including taxable benefits, was:		
	<b>2012</b>	2011
	<b>N°</b>	N°
£60,001 - £70,000	<b>10</b>	9
£70,001 - £80,000	-	1
£80,001 - £90,000	-	4
£90,001 - £100,000	<b>5</b>	-
£130,001 - £140,000	<b>1</b>	1

Pension contributions made on behalf of the above totalled £181,198 (2011: £171,716).

The remuneration for the year, excluding pensions, for Kevin Cahill, Chief Executive, was £130,823 (2011: £122,212).

#### 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 228 (2011: 187) and the pension charge for the year was £873,231 (2011: £760,835).

#### 10. Trustees

Expenses of £6,657 were incurred in the year for 1 trustee (2011: £1,691). Harbottle and Lewis LLP, a firm of solicitors in which Colin Howes is a partner, provided legal and professional services of £45,373 (2011: £35,433) to the group. Trustees received £nil remuneration in the year (2011: £nil).



# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 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 (2011: £nil).

12. Intangible fixed assets - Group	Total £000
<b>Trademarks</b>	
<b>Cost</b>	
At 1 August 2011	113
Creation of trademarks in the year	44
	<hr/>
<b>At 31 July 2012</b>	<b>157</b>
	<hr/>
<b>Amortisation</b>	
At 1 August 2011	63
Charged in the year	15
	<hr/>
<b>At 31 July 2012</b>	<b>78</b>
	<hr/>
<b>Net book value</b>	
<b>At 31 July 2012</b>	<b>79</b>
	<hr/> <hr/>
At 1 August 2011	50
	<hr/> <hr/>

As a result of annual impairment reviews, no impairment of intangible assets as at 31 July 2012 has been identified (2011: £nil).

#### 13. Tangible fixed assets - Group and charity

	Premises and fixtures £000	Technology £000	Total £000
<b>Cost</b>			
At 1 August 2011	2,253	2,656	4,909
Additions	28	1,670	1,698
Disposals in year	-	(12)	(12)
	<hr/>	<hr/>	<hr/>
<b>At 31 July 2012</b>	<b>2,281</b>	<b>4,314</b>	<b>6,595</b>
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 August 2011	987	1,287	2,274
Charged in the year	456	911	1,367
Disposals in year	-	(12)	(12)
	<hr/>	<hr/>	<hr/>
<b>At 31 July 2012</b>	<b>1,443</b>	<b>2,186</b>	<b>3,629</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
<b>At 31 July 2012</b>	<b>838</b>	<b>2,128</b>	<b>2,966</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 August 2011	1,266	1,369	2,635
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 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;

	2012 £000	2011 £000
UK equities funds	27,189	-
Global equities funds	39,934	-
Private equity funds	5,724	5,109
Bond funds	14,992	11,171
Property funds	15,936	12,734
Absolute return funds	50,579	23,003
Commodities note	-	4,109
Portfolio cash	-	58,434
<b>Total Group</b>	<b>154,354</b>	<b>114,560</b>
Investment in Brand Relief Limited	760	905
<b>Total Charity</b>	<b>155,114</b>	<b>115,465</b>

The original investment of £2million in Brand Relief has been valued at the net current asset value of £760,000 (see note 4).

##### b) Reconciliation of opening and closing market value

	2012 £000	2011 £000
Market value at 1 August 2011	56,126	97,149
Additions at cost	97,646	30,925
Disposals at opening market value	(4,110)	(74,446)
Net unrealised investment gains	4,692	2,498
<b>Market value of listed investments at 31 July 2012</b>	<b>154,354</b>	<b>56,126</b>
Portfolio cash	-	58,434
<b>Market value of portfolio at 31 July 2012</b>	<b>154,354</b>	<b>114,560</b>
<b>Cost of listed investments at 31 July 2012</b>	<b>145,500</b>	<b>51,856</b>

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 14. Fixed asset investments (continued)

c) Reconciliation of movements in unrealised gains/(losses) on investment assets		2012	2011
		£000	£000
<b>Group and charity</b>			
Unrealised gains at 1 August 2011		4,270	7,632
Adjust: in respect of disposals in the year		(109)	(5,860)
		<u>4,161</u>	<u>1,772</u>
Net gains arising on revaluations in the year (note 14b)		4,692	2,498
		<u>8,853</u>	<u>4,270</u>
<b>Charity</b>			

d) The charity also holds unlisted investments costing £2,000,102 (2011: £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	Trading	Ordinary £1	100%
Brand Relief Limited (note 4)	England	Trading	Redeemable Preference £1	100%

#### 15. Current asset investments

	2012	2011
	£000	£000
Call account	9,697	5,005
Fixed term deposits	58,521	103,373
Global liquidity funds – Charity Projects	13,057	21,157
<b>Market value at 31 July 2012 - Charity</b>	<b>81,275</b>	<b>129,535</b>
Fixed term deposits - Comic Relief Limited	-	8,012
Global liquidity funds - Comic Relief Limited	6,533	1,072
Global liquidity funds - Brand Relief Limited	805	1,093
<b>Market value at 31 July 2012 - Group</b>	<b>88,613</b>	<b>139,712</b>

#### 16. Debtors

	2012		2011	
	Group £000	Charity £000	Group £000	Charity £000
Amounts due from subsidiary undertakings	-	7,574	-	12,823
Other debtors	1,130	408	3,351	1,207
Loans (due in more than 1 year)	4,488	4,488	3,050	3,050
Prepayments and accrued income	4,830	4,830	8,441	8,441
	<u>10,448</u>	<u>17,300</u>	<u>14,842</u>	<u>25,521</u>

The loans include £3,572,000 (\$5million) made during 2008/09 to Kuapa Kokoo Farmers Union Ltd is for a period of 10 years with repayments starting in the 6<sup>th</sup> year. There is security for the loan and interest is payable. The loan has been revalued at the year end at £3,187,600.

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

17. Creditors	2012		2011	
	Group £000	Charity £000	Group £000	Charity £000
(a) Amounts falling due within one year:				
Grants approved not yet paid	55,641	55,641	62,804	62,804
Other creditors	582	569	936	910
Taxation and social security	375	375	370	370
Accruals and deferred income	853	799	963	808
	<u>57,451</u>	<u>57,384</u>	<u>65,073</u>	<u>64,892</u>

(b) Amounts falling due after more than one year	2012		2011	
	Group £000	Charity £000	Group £000	Charity £000
Grants approved not yet paid	<u>68,775</u>	<u>68,775</u>	<u>66,422</u>	<u>66,422</u>

#### 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 2012 (2011: 21).

#### 19. Analysis of group net assets between funds

	Restricted funds £000	Unrestricted funds		Total funds	
		General £000	Designated £000	2012 £000	2011 £000
Fixed assets	-	3,045	154,354	157,399	117,245
Current assets	2,109	3,669	97,506	103,284	158,935
Current liabilities	(567)	(1,810)	(55,074)	(57,451)	(65,073)
Liabilities due after one year	-	-	(68,775)	(68,775)	(66,422)
<b>Group net assets</b>	<u>1,542</u>	<u>4,904</u>	<u>128,011</u>	<u>134,457</u>	<u>144,685</u>

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 20. Unrestricted funds

	Balance 1 August 2011 £000	Incoming resources £000	Resources expended £000	Net investment (loss)/gains £000	Transfers £000	Balance 31 July 2012 £000
<b>Group - General fund</b>	12,344	17,449	(25,799)	-	910	<b>4,904</b>
<b>Charity - General fund</b>	12,339	15,830	(24,180)	(145)	910	<b>4,754</b>
<b>Group and Charity Designated funds</b>						
<b>Grants</b>						
Other	102,057	51,861	(60,732)	-	1,379	<b>94,565</b>
Common Ground Initiative	(903)	3,060	(3,330)	-	(662)	<b>(1,835)</b>
UKAid Match Funding	(2,458)	9,291	(8,591)	-	(286)	<b>(2,044)</b>
UKAid Match Slums	-	-	-	-	(33)	<b>(33)</b>
	<u>98,696</u>	<u>64,212</u>	<u>(72,653)</u>	<u>-</u>	<u>398</u>	<u><b>90,653</b></u>
<b>Other</b>						
Investment Equalisation Fund	11,000	-	-	4,615	(615)	<b>15,000</b>
Comic Relief Foundation Bill & Melinda Gates Foundation	20,000	-	(96)	-	96	<b>20,000</b>
	942	944	(288)	-	-	<b>1,598</b>
Brand Relief Limited	905	-	-	-	(145)	<b>760</b>
	<u>32,847</u>	<u>944</u>	<u>(384)</u>	<u>4,615</u>	<u>(664)</u>	<u><b>37,358</b></u>
<b>Designated funds – total</b>	<u>131,543</u>	<u>65,156</u>	<u>(73,037)</u>	<u>4,615</u>	<u>(266)</u>	<u><b>128,011</b></u>

**Transfers** - the overall transfer of £644,000 (£910,000 general less £266,000 designated) to unrestricted from 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). £6.9million was received in the year with £7.8million awarded in grants in 2010-11, plus £254,000 transferred back to prior year grants. A transfer of £537,000 has also been made to cover the costs of the initiative in the General Fund.

**UKAid Match Funding** is a co-funding arrangement created as part of Red Nose Day 2011 whereby DFID committed to match fund £16million of Red Nose Day funds raised by the public which Comic Relief has allocated for health and education projects in Africa. £2.4million of grants were awarded in 2010-11. Funding for this has been received in 2011-12.

**UKAid Match Funding Slums Initiative** is a co-funding arrangement created as part of Sport Relief 2012 whereby DFID committed to match fund £10million of Sport Relief funds raised by the public which Comic Relief will allocate for slums projects in 4 cities in Africa. Grant making

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 20. Unrestricted funds (continued)

will begin in 2012-13.

**The Investment Equalisation Fund** balance has been increased to £15million with any additional investment gains and losses in the year (both realised and unrealised) being transferred to the grants 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 £20million. £96,000 was spent against the fund in 2011-12 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 of the need for global support to deliver the health-based Millennium Development Goals.

**Brand Relief** - in 2008-9 Comic Relief received a donation of £2million which in August 2009 was used to invest in redeemable preference shares in Brand Relief Limited. The funds have been used to pay for the advertising and promotion of the cooking sauces in Brand Relief. The balance on the designated fund at 31 July 2012 represents the unspent element of the £2million funds.

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 21. Restricted funds

Group and charity	Balance 1 August 2011 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance 31 July 2012 £000
Barclays Bank Plc	-	100	-	-	100
The Baring Foundation	38	50	(54)	-	34
Bill & Melinda Gates Foundation	-	2,500	(2,500)	-	-
Department of Health	-	22	-	-	22
Give It Sum Fund	380	159	(559)	100	80
The A S Hornby Educational Trust	(100)	50	-	-	(50)
The Hunter Foundation	-	(145)	290	(145)	-
Laurie Family Fund	-	1,000	(400)	(200)	400
Manchester City F.C.	-	252	(250)	-	2
Other Restricted Funds	400	51	(100)	(407)	(56)
The Premier League	(200)	200	-	-	-
Premiership Rugby	-	-	(400)	-	(400)
Rugby Football League	-	-	(351)	-	(351)
Sainsbury's Fair Development Fund	1	-	-	12	13
The Scottish Sport Relief Home & Away Programme	-	2,503	(932)	-	1,571
Sing Fund	167	10	-	-	177
Steve Redgrave Fund	37	33	(216)	146	-
Working Title	75	75	-	(150)	-
<b>Restricted funds</b>	<b>798</b>	<b>6,860</b>	<b>(5,699)</b>	<b>(644)</b>	<b>1,542</b>

These restricted balances will be used to support future projects in accordance with Comic Relief's grantmaking 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 £644,000 represents grant expenditure awarded in the prior year which donors have wished to fund and from whom restricted income has been received.

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

**The Department of Health** have contributed £22,000 towards Panicoa – Comic Relief's research programme in to 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 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.

**Barclays, the AS Hornby Educational Trust, Premiership Rugby and the Rugby Football League** balances will be used to fund specified International and UK grants.

# CHARITY PROJECTS

(better known as Comic Relief)

## Notes to the financial statements

### For the year ended 31 July 2012

#### 21. Restricted funds (continued)

**The Hunter Foundation.** During the year the Hunter Foundation and Comic Relief agreed not to fund any additional grants under this Trade programme. This resulted in £145,000 being returned to The Hunter Foundation, and a grant cancellation of £290,000.

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

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

**J. Sainsbury's plc** support the Fair Development Fund. The Fund has generated £1million in total over 4 years.

**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.

22.	<b>Commitments under operating leases</b>	<b>2012</b>	2011
		<b>£000</b>	£000
	At 31 July 2012, the group had annualised operating commitments under non-cancellable operating leases expiring as follows:		
	Land and buildings: 2 to 5 years	<b>431</b>	431
	Other: 2 to 5 years	<b>12</b>	12
	Total	<b>443</b>	443
		<hr/>	<hr/>
23.	<b>Management of liquid resources</b>	<b>2012</b>	2011
	a) <b>Group</b>	<b>£000</b>	£000
	Receipts from sales of current asset investments	<b>51,099</b>	33,918
		<b>51,099</b>	33,918
		<hr/>	<hr/>
	b) <b>Charity</b>	<b>2012</b>	2011
		<b>£000</b>	£000
	Receipts from sale of current asset investments	48,260	33,131
		<b>48,260</b>	<b>33,131</b>
		<hr/>	<hr/>



**CHARITY PROJECTS**  
(better known as Comic Relief)

**Notes to the financial statements**  
**For the year ended 31 July 2012**

24. **Analysis of the changes in net funds**

a) <b>Group</b>	At 1 August 2011 £000	Cash flows £000	<b>At 31 July 2012 £000</b>
Cash at bank and in hand	4,381	(158)	<b>4,223</b>
Current asset investments	139,712	(51,099)	<b>88,613</b>
	<u>144,093</u>	<u>(51,257)</u>	<u><b>92,836</b></u>
<b>Total</b>	<u><u>144,093</u></u>	<u><u>(51,257)</u></u>	<u><u><b>92,836</b></u></u>
	At August 2011 £000	Cash flows £000	<b>At 31 July 2012 £000</b>
b) <b>Charity</b>			
Cash at bank & in hand	2,838	973	<b>3,811</b>
Current asset investments	129,535	(48,260)	<b>81,275</b>
	<u>132,373</u>	<u>(47,287)</u>	<u><b>85,086</b></u>
<b>Total</b>	<u><u>132,373</u></u>	<u><u>(47,287)</u></u>	<u><u><b>85,086</b></u></u>