



COMIC RELIEF LIMITED

**Financial Statements
30 September 2003**

COMIC RELIEF LIMITED

Financial statements for the 15 month period ended 30 September 2003

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COMIC RELIEF LIMITED

Directors and advisers

Directors

Peter Bennett-Jones (Chair)
Richard Curtis CBE
Jana Bennett
Emma Freud
Matthew Freud
Michael Harris
Lenny Henry CBE
Claudia Lloyd
Laurence Newman
Eric Nicoli
J K Rowling OBE
Albert Tucker
Nalini Varma

Secretary

Colin Howes

Registered office

14 Hanover Square
London W1S 1HP

Auditors

Chantrey Vellacott DFK
Chartered Accountants
Russell Square House
10-12 Russell Square
London WC1B 5LF

Bankers

National Westminster Bank plc
Bloomsbury, Parr's Branch
PO Box No 158
214 High Holborn
London WC1V 7BX

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

COMIC RELIEF LIMITED

Directors' report for the 15 month period ended 30 September 2003

The directors submit their report and the financial statements of Comic Relief Limited for the 15 month period ended 30 September 2003.

Principal activity

The company has three principal activities:

- i) To organise events for charitable purposes.
- ii) To license use of the company's intellectual property to generate royalty income.
- iii) To attract corporate support to contribute significantly to the administration costs of the company's trading activities.

Review of the business and future developments

The re-commissioning by the BBC of Sport Relief for July 2004 and 2006 has led the directors to change the financial year to 30 September. This has resulted in these financial statements covering a 15 month period.

The first Sport Relief took place in July 2002 and Red Nose Day took place in March 2003. Income achieved during the period was £13.87 million as compared with £6.41 million in the year to 30 June 2002. The company will continue to raise funds from various trading activities over the coming year.

Taxable profits arising in the period are paid to the parent company Charity Projects, a registered charity, under Gift Aid.

Financial results

The results for the year are set out in the profit and loss account on page 6. The position at the end of the year is shown in the balance sheet on page 7.

The company owns no fixed assets.

The directors do not recommend the payment of a dividend. Gift Aid of £11.43 million (year to 30 June 2002 : £6.08 million) has been made, leaving no balance to be transferred to reserves.

Directors and their interests

The following held office during the period as directors and are also members of the Board of Trustees of Charity Projects:

Peter Bennett-Jones (Chair)
 Richard Curtis CBE
 Emma Freud
 Matthew Freud
 Michael Harris
 Lenny Henry CBE
 Claudia Lloyd
 Laurence Newman
 Eric Nicoli
 J K Rowling OBE
 Albert Tucker
 Nalini Varma

Jana Bennett was appointed as a director, and as a trustee of Charity Projects, in February 2004.

No director had any interest in the share capital of the company, or any interest in the ultimate parent company.

COMIC RELIEF LIMITED

Directors' report for the 15 month period ended 30 September 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

As the company has elected to dispense with the requirement to re-appoint auditors, Chantrey Vellacott DFK will continue to act as auditors of the company.

BY ORDER OF THE BOARD


COLIN HOWES

Secretary

3 March 2004

COMIC RELIEF LIMITED

Independent Auditors' report to the members of Comic Relief Limited

We have audited the financial statements of Comic Relief Limited for the 15 month period ended 30 September 2003 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Accountancy Foundation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

COMIC RELIEF LIMITED

Independent Auditors' report to the members of Comic Relief Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its results for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

CHANTREY VELLACOTT DFK



Chartered Accountants
Registered Auditors
London

3 March 2004

Chantrey Vellacott DFK

COMIC RELIEF LIMITED

Profit and loss account for the 15 month period ended 30 September 2003

	Notes	2003 £000	2002 £000
Turnover	1(b),2	13,874	6,408
Overhead expenditure	1(c)	(2,676)	(547)
Operating profit		11,198	5,861
Interest receivable		230	221
Profit on ordinary activities before and after taxation	3,4	11,428	6,082
Payment under Gift Aid		(11,428)	(6,082)
Retained profit for the period		-	-

All amounts relate to continuing activities.

The company 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 notes on pages 8 to 10 form part of these financial statements.

COMIC RELIEF LIMITED

Balance sheet as at 30 September 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Intangible assets	6	<u>51</u>	<u>23</u>
Current assets			
Investments	7	9,762	1,526
Debtors	8	232	430
Cash at bank and in hand		<u>2,028</u>	<u>1,207</u>
		12,022	3,163
Creditors: amounts falling due within one year	9	<u>12,068</u>	<u>3,181</u>
Net current (liabilities)		<u>(46)</u>	<u>(18)</u>
Net assets		<u>5</u>	<u>5</u>
Capital and reserves			
Called-up share capital	10	-	-
Profit and loss account		<u>5</u>	<u>5</u>
Equity shareholders' funds	11	<u>5</u>	<u>5</u>

Approved by the Board on 3 March 2004 and signed on its behalf by:

MICHAEL HARRIS

PETER BENNETT-JONES

)
) Directors
)
)
)

M. R. Harris
P. Bennett-Jones

The notes on pages 8 to 10 form part of these financial statements.

COMIC RELIEF LIMITED

Notes to the financial statements

For the 15 month ended 30 September 2003

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards under the historical cost convention.

b) Turnover (net of VAT)

Licensing, events, trading activities and sponsorship income are recognised on a receivable basis.

Rights and royalty income are recognised on a received basis.

c) Expenditure

Expenditure is accounted for on an accruals basis; it is matched against income where appropriate.

d) Cash flow statement

The company has taken advantage of the exemption in FRS1 not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary, and a consolidated cashflow statement is prepared in the group accounts.

e) Intangible fixed assets

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 asset over the length of the period for which each trademark is valid.

2. Turnover

	2003 £000	2002 £000
Merchandising, events and trading activities	12,050	6,087
Sponsorship and other income	1,824	321
	<u>13,874</u>	<u>6,408</u>

3. Profit on ordinary activities before and after taxation

The profit is stated after charging:

Auditors' remuneration	- audit	13	7
	- non audit	4	20
		<u></u>	<u></u>

4. Taxation

Under Gift Aid the company donates to its parent, Charity Projects, a registered charity, an amount equal to its taxable profits.

5. Directors and employees

No directors received any remuneration in the period ended 30 September 2003 (30 June 2002 - £nil).

Staff are employed by the parent company.

COMIC RELIEF LIMITED

Notes to the financial statements

For the 15 month period ended 30 September 2003

6.	Intangible assets	2003	
	Trademark	£000	
	Creation of trademarks		
	Cost at 1 July 2002	23	
	Purchased in period	34	
		<u>57</u>	
	Cost at 30 September 2003		
	Amortisation		
	At 1 July 2003	-	
	Charged in period	6	
		<u>6</u>	
	At 30 September 2003		
	Net book value		
	At 30 September 2003	<u>51</u>	
	At 30 June 2002	<u>23</u>	
7.	Investments	2003	2002
		£000	£000
	Global Liquidity Funds	<u>9,762</u>	<u>1,526</u>
8.	Debtors	2003	2002
		£000	£000
	Trade debtors	81	190
	Other debtors	96	61
	Prepayments and accrued income	55	179
		<u>232</u>	<u>430</u>
9.	Creditors	2003	2002
		£000	£000
	Amounts falling due within one year:		
	Trade creditors	112	38
	Amounts due to Charity Projects	11,695	2,881
	Accruals and deferred income	261	235
	Other taxation	-	27
		<u>12,068</u>	<u>3,181</u>

COMIC RELIEF LIMITED

Notes to the financial statements

For the 15 month period ended 30 September 2003

10.	Share capital	2003	2002
		£000	£000
	Authorised:		
	10,000 Ordinary shares of £1 each	<u>10</u>	<u>10</u>
		2003	2002
	Allotted, called-up and fully paid:		
	2 Ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>
11.	Reconciliation of equity shareholders' funds	2003	2002
		£000	£000
	Opening shareholders' funds	5	5
	Profit for the period	-	-
	Closing shareholders' funds	<u>5</u>	<u>5</u>

12. Ultimate parent company

The ultimate parent company is Charity Projects, a company and charity registered in England.

The company has taken advantage of the exemptions in FRS8 and has not disclosed any transactions with Charity Projects.

13. Commitments under operating leases

At 30 September 2003, the company had no annualised operating commitments under non-cancellable operating leases (30 June 2002 : nil).

COMIC RELIEF LIMITED**Detailed profit and loss account****For 15 month period ended 30 September 2003**

	2003 £000	2002 £000
Merchandising, events and trading activities		
Red Noses	6,051	177
Merchandising	712	907
Events	1,444	-
Comic Relief publications	3,180	4,423
Comic Relief singles and albums	530	436
Comic Relief TV and video	133	144
	<u>12,050</u>	<u>6,087</u>
Sponsorship and other income		
Corporate support	1,461	255
Use of photos and TV footage	149	66
Licensing	214	-
	<u>1,824</u>	<u>321</u>
Bank interest receivable	<u>230</u>	<u>221</u>
Total income for the period	<u>14,104</u>	<u>6,629</u>
Overhead expenditure		
Consultants' fees	63	48
Broadcasting support services	444	54
Events	238	34
Audit and accountancy services	17	35
Comic Relief Supporters packs (Sport Relief and Red Nose Day)	588	100
Office expenses	292	23
Gift Aid fulfilment	188	-
Promotional expenses	348	1
Legal and professional fees	185	121
Travel	42	7
Trading product costs: Internet	131	1
Affinity card	21	34
Bank interest payable	1	1
Amortisation	6	-
	<u>2,564</u>	<u>459</u>
Irrecoverable VAT	<u>112</u>	<u>88</u>
	<u>2,676</u>	<u>547</u>
Profit for the period	<u>11,428</u>	<u>6,082</u>
Gift Aid to Charity Projects	<u>(11,428)</u>	<u>(6,082)</u>
Retained profit for the period	<u>-</u>	<u>-</u>

This page does not form part of the statutory financial statements.