

# **The National Funding Scheme**

## **Annual Report and Unaudited Financial Statements**

30 September 2019

Company Limited by Guarantee Registration Number  
08223187 (England and Wales)

Charity Registration Numbers  
1149800 (England and Wales)  
SC045106 (Scotland)

## **Reports**

|  |   |
|--|---|
| Reference and administrative details of the charity, its Trustees and advisors | 1 |
| Trustees' report   | 2 |
| Independent examiner's report  | 8 |

## **Accounts**

|                                   |    |
|-----------------------------------|----|
| Statement of financial activities | 10 |
| Balance sheet                     | 11 |
| Principal accounting policies     | 12 |
| Notes to the financial statements | 16 |

## Reference and Administrative Details of the charity, its Trustees and advisors

|                             |   |
|-----------------------------|---|
| <b>Trustees</b>             | Jamie Galloway<br>Stephen Grey<br>Bart Leonard<br>William Makower     |
| <b>Registered office</b>    | 10 Queen Street Place<br>London<br>EC4R 1BE                           |
| <b>Company number</b>       | 08223187 (England and Wales)  |
| <b>Charity numbers</b>      | 1149800 (England and Wales)<br>SC045106 (Scotland)                    |
| <b>Independent examiner</b> | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL                |
| <b>Solicitor</b>            | Bates Wells LLP<br>10 Queen Street Place<br>London<br>EC4R 1BE        |
| <b>Banker</b>               | National Westminster Bank Plc<br>15 Bishopsgate<br>London<br>EC2P 2AP |

The Trustees present their report along with the financial statements of The National Funding Scheme ("NFS") for the year to 30 September 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 15 and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, the Charities And Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors report for the purpose of company legislation.

## **Structure, Governance and Management**

### **Governance**

The National Funding Scheme is a charitable company, limited by guarantee, incorporated on 20 September 2012 and registered as a charity on 16 November 2012. The charity was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association.

The governance and strategy of the charity is overseen by the Board of Trustees (named in the table below). Trustees are appointed as outlined in the Memorandum and Articles of Association and they bring specific skills to complement and support the Management Team.

The following Trustees were in office at 30 September 2019, and served throughout the period except where shown.

| <b>Trustees</b> | <b>Appointed/resigned</b> |
|-----------------|---------------------------|
| Jamie Galloway  |                           |
| Stephen Grey    |                           |
| Bart Leonard    |                           |
| William Makower |                           |
| Molly Waiting   | Resigned 2 April 2019     |

## **Structure, Governance and Management** (continued)

### ***Key management personnel***

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

None of the Trustees received any remuneration for their services as Trustees (2018 - none).

### ***Statement of Trustees' responsibilities***

The Trustees (who are also directors of The National Funding Scheme for the purposes of company law) are responsible for preparing the Trustees' report and 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Structure, Governance and Management** (continued)

### ***Risk Management***

The Trustees are mindful of their responsibility as charity trustees to identify the risks the charity faces and to establish and implement systems and procedures to mitigate those risks identified. Risks were considered at each quarterly Board meeting during 2018/19 and appropriate actions taken. Risks continue to be reviewed at a similar frequency.

### **Principal Aims, Objectives and Activities**

The object of the National Funding Scheme (NFS) is "the promotion of the efficiency and effectiveness of charities for the public benefit by promoting charitable giving, fundraising and donations to charities, particularly (but not exclusively) through supporting new ways of giving to charities and through digital means".

As Trustees, we confirm that we have referred to the guidance contained in the Charity Commission's general advice on public benefit when reviewing the charity's aims and objectives and in planning future activities for the year.

### **Activities and Achievements**

The charity incurred an operational deficit of £2,000 in the year to 30 September 2019 (2018: £2,005). This near breakeven position reflects a determination to keep our costs to a minimum and greater take-up and innovation around our products and services.

The Trustees are acutely aware of their responsibility to provide education and advice in relation to digital giving and to deliver against our charitable objective of promoting the efficiency and effectiveness of charitable giving. We therefore continue to support charities with insights, education and articles about digital giving whilst supporting charities to raise more funds from digital channels through our DONATE platform.

Digital giving continued to develop with an increasing interest in contactless services. The trial units we brought to market during 2018 provided a tethered Bluetooth/WiFi service to ensure FCA compliance. Whilst these provided early capability and some service benefit (notably portability) the market demanded a simpler and easier plug-and-play product. National Funding Scheme therefore negotiated a distribution deal with Paya Group to provide a static device which had an inbuilt SIM and met FCA regulations through limiting transaction levels to £30 or less. This second device was then offered alongside the portable earlier solution. During the year we saw good take-up across both services as the market increasingly sought contactless services.

Our text giving product is a key entry point for charities. Easy to understand by both charities and donors, it provides flexibility for charities to choose campaign-focussed keywords and donors to be able to give variable amounts.

Below we provide 3 case studies of fundraising services delivered through the DONATE platform. More case studies can be found here:

<https://www.nationalfundingscheme.org/better-giving-in-action/>

## Activities and Achievements (continued)

### Case study 1 – contactless giving

<https://www.nationalfundingscheme.org/better-giving-in-action/my-name5-doddie-foundation/>

In November 2018, DONATE was chosen to provide the stadium text giving solution to support Doddie Weir's motor neurone disease foundation. Just under £23,000 was given via £5 and £10 text donations during the month, the vast majority via a stadium ask at Murrayfield on 17th November. The foundation has gone on to raise over £40,000 through DONATE.

*"Text giving is hugely important for the My Name's Doddie Foundation. We used DONATE due to its flexibility, scalability and low cost and we loved donors having the ability to set-up regular monthly text giving."*

*- My Name's Doddie Foundation -*

### Case study 2 – outdoor event giving

During June 2019 the Co-Mission Trust used DONATE to raise funds during a 3 day staged outdoor festival. Making asks and appeals during the festival allowed the supporters and followers to donate to the Church's humanitarian work from their phones. Donations were in excess of £3,500.

*"We've used NFS Donate at REVIVE - our annual festival - for the past two years, and it has really helped us make the most of our stage appeals. Previously, we found that donations were lost as people got distracted or lost interest in an appeal, as they had to wait until after the session to give cash or log on to the website. Using the text donate service means that delegates can make donations 'in the moment' of an appeal when the message is fresh in their minds. We've seen an overall increase in participation in our appeals since introducing the service."*

*- Co-Mission London Trust –*

### Case study 3 – contactless giving

<https://www.nationalfundingscheme.org/contactless-comes-of-age-vauxhall-city-farm/>

Vauxhall City Farm were keen to move away from cash donations. Over the last months their fundraising teams noted that an increasing number of people were arriving at the farm with little or no cash in their wallets. Following a successful trial with DONATE's portable unit at the Lambeth country fair they moved to installing a DONATE contactless unit at the farm.

The contactless unit by DONATE worked beyond expectation at the fair. At the end of the two-day fair, Vauxhall City Farm had raised £400 through DONATE's tap+DONATE contactless box and £200 through the text donation service.

*"The true difference has been using the contactless box back at the farm, after the event. We have been astonished by the difference it has made in visitors donating to Vauxhall City Farm and can honestly say that we did not expect it to have such a big impact."*

*- Fundraising Co-ordinator, Vauxhall City Farm -*

### **Activities and Achievements** (continued)

It is these types of case studies and learnings that help encourage charities to consider a move to digital fundraising.

During the year the charity undertook a number of initiatives to increase uptake of our services and education. These included bringing on an account manager to support new and existing charity partners and building a relationship with Professor Kimberley Scharf at the Department of Economics at Birmingham University, who is running research into online philanthropic giving and developing relationships with external consultants who are trained on DONATE and can support individual charities looking to expand their digital fundraising. We also developed monthly communications via newsletters and an increased volume of news and insights to our blog (<https://www.nationalfundingscheme.org/blog/>) covering such items as support for Giving Tuesday and tips for emergency fundraising.

In September 2019 we secured £30,000 of non-recourse, zero interest loans to boost activity through marketing and account management. We expect to see the benefit of that investment during the coming year.

The core DONATE technology continued to be further developed and improved through both design, technology and the overall user experience. Additional reporting and functionality was provided to our partner charities to support their self-service requirements and in turn lessen our central overheads.

The average web donation (including Gift Aid) during the year was £37.99 (2018: £121.49). For the first time we have seen text donations deliver not only the greater number of donations at 88% of all donations (2018: 67%) but also deliver the majority of giving (54%). Contactless giving has grown to 7% of all giving and we expect to see that grow both in monetary and percentage terms as the trend for carrying less cash continues. These statistics underline the unique benefit of DONATE; its range of integrated products in one easy-to-use platform.

Towards the end of the year the Trustees began negotiations over a revised licensing agreement with its technology provider, Digital Information and Giving Ltd (DIG Ltd) to run from March 2020. The agreement will be concluded during the coming year.

During the period, there had been informal enquiries from the Charity Commission regarding the adequacy of internal procedural controls within NFS. We are pleased to report that this correspondence is now closed to the Commission's satisfaction

### **Financial report for the period**

#### ***Results for the period***

Total income for the period was £331,089 (2018 - £324,197), consisting of donations and commission earned through the NFS platform, and gifts in kind.

Charitable expenditure on activities in furtherance of the charity's objectives amounted to £333,089 (2018 - £326,093), predominantly comprised of charitable donations, other costs relating to the charity's version of the licensed fundraising platform, and gifts in kind. Total expenditure for the period was £333,089 (2018 - £326,202).

The charity incurred an overall deficit of £2,000 (2018 - £2,005) for the year which continues to be underwritten by its two principal creditors, Digital Information and Giving Ltd and



## Activities and Achievements (continued)

### *Results for the period (continued)*

Panlogic Ltd which, under the control of Mr Makower, continue to provide financial support during the transition to being reliant on earned income.

### *Reserves policy*

The Trustees are mindful that the target for free reserves should be three months' running costs and work towards this objective. In reaching this consideration, the Trustees believe that three months gives the Trustees sufficient time to recruit additional volunteers or part-time staff to cover any unforeseen circumstance without having a material effect on running the charity's operations.

### *Financial position and future plans*

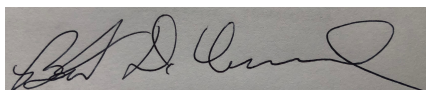
At the period end restricted funds were £nil (2018 - £nil) as all restricted funds are paid out to beneficiary charities and unrestricted funds were a deficit of £42,539 (2018 - £40,539).

The worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on the wider society. At the date of approval of these financial statements, the digital-first charity has been able to work efficiently with staff working from home and the pandemic has had a positive impact on the charity's income, due to the shift to digital fundraising. However, the trustees are closely monitoring the impact of COVID-19 on the charity.

The Trustees are confident that the charity will be able to meet its liabilities as they fall due for the foreseeable future and have plans to ensure that the charity can build its reserves up to an acceptable level. The Trustees, therefore, believe it is appropriate for the accounts to be prepared on a going concern basis.

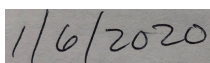
Subject to income levels and affordability, the Trustees intend to continue their policy of repaying all loans to creditors.

This report was prepared under the Small Companies Regulations of the Companies Act 2006.



Signed on behalf of the Trustees      Bart Leonard

Approved by the Board of Trustees on:



**Independent examiner's report to the Trustees of The National Funding Scheme**

I report to the charity Trustees on my examination of the financial statements of the charitable company for the year ended 30 September 2019.

**Responsibilities and basis of report**

As the Trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Material uncertainty related to going concern**

I draw attention to the accounting policies on critical accounting estimates and areas of judgement and going concern in the financial statements, which describes the economic and social disruption the charity is facing as a result of COVID-19 and the impact this may have on the charity's finances, and which explains the basis for concluding that the charity is a going concern. The charity is dependent upon the ongoing support of certain creditors as outlined in the report.

My opinion is not qualified with regard to the above.

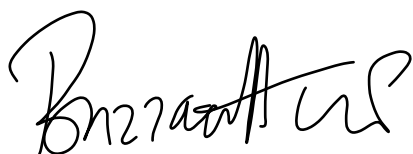
**Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. Except for the matter I draw your attention to above, I confirm that no matters have come to my attention in connection with my examination giving me cause to believe:

- ◆ accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- ◆ the financial statements do not accord with those records; or
- ◆ the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- ◆ the financial statements have not been prepared in accordance with the methods and principles of the for "Accounting and Reporting by Charities: the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)."

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A handwritten signature in black ink, appearing to read 'Buzzacott', with a stylized flourish at the end.

Edward Finch ACA  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London EC2V 6DL

9 June 2020

# Statement of financial activities Year to 30 September 2019

|   | Notes | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>funds<br>£ | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>funds<br>£ |
|---|-------|-------------------|-----------------|-----------------------------|-------------------|-----------------|-----------------------------|
| <b>Income</b>   |       |                   |                 |                             |                   |                 |                             |
| Donations   | 1     | —                 | 296,616         | 296,616                     | —                 | 286,670         | 286,670                     |
| Charitable activities                                     | 2     | 34,462            | —               | 34,462                      | 37,520            | —               | 37,520                      |
| Interest receivable                                       |       | 11                | —               | 11                          | 7                 | —               | 7                           |
| <b>Total income</b>                                       |       | <b>34,473</b>     | <b>296,616</b>  | <b>331,089</b>              | <b>37,527</b>     | <b>286,670</b>  | <b>324,197</b>              |
| <b>Expenditure</b>  |       |                   |                 |                             |                   |                 |                             |
| Cost of raising funds                                     | 3     | —                 | —               | —                           | 109               | —               | 109                         |
| Charitable activities                                     | 4     | 10,086            | 323,003         | 333,089                     | 17,612            | 308,481         | 326,093                     |
| <b>Total expenditure</b>                                  |       | <b>10,086</b>     | <b>323,003</b>  | <b>333,089</b>              | <b>17,721</b>     | <b>308,481</b>  | <b>326,202</b>              |
| <b>Net income (expenditure) before transfers</b>          |       | <b>24,387</b>     | <b>(26,387)</b> | <b>(2,000)</b>              | <b>19,806</b>     | <b>(21,811)</b> | <b>(2,005)</b>              |
| Transfers between funds                                   | 14    | (26,387)          | 26,387          | —                           | (21,811)          | 21,811          | —                           |
| <b>Net expenditure and net movement in funds</b>          |       | <b>(2,000)</b>    | <b>—</b>        | <b>(2,000)</b>              | <b>(2,005)</b>    | <b>—</b>        | <b>(2,005)</b>              |
| <b>Reconciliation of funds:</b>                           |       |                   |                 |                             |                   |                 |                             |
| Fund balances brought forward at 1 October 2018           |       | (40,539)          | —               | (40,539)                    | (38,534)          | —               | (38,534)                    |
| <b>Fund balances carried forward at 30 September 2019</b> |       | <b>(42,539)</b>   | <b>—</b>        | <b>(42,539)</b>             | <b>(40,539)</b>   | <b>—</b>        | <b>(40,539)</b>             |

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 16 to 22 form part of the financial statements.

**Balance sheet** at 30 September 2019

|  | Notes | 2019<br>£ | 2019<br>£ | 2018<br>£ | 2018<br>£ |
|--|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                            |       |           |           |           |           |
| Intangible fixed assets                        | 10    | —         |           | —         |           |
| <b>Current assets</b>                          |       |           |           |           |           |
| Debtors  | 11    | 22,335    |           | 15,633    |           |
| Cash at bank and in hand                       |       | 84,215    |           | 21,216    |           |
|  |       |           | 106,550   |           | 36,849    |
| <b>Current liabilities</b>                     |       |           |           |           |           |
| Creditors: amounts falling due within one year | 12    | (105,358) |           | (33,598)  |           |
| <b>Net current assets</b>                      |       |           | 1,192     |           | 3,251     |
| Creditors: amounts falling due after one year  | 13    |           | (43,731)  |           | (43,790)  |
| <b>Total net liabilities</b>                   |       |           | (42,539)  |           | (40,539)  |
| <b>The funds of the charity:</b>               |       |           |           |           |           |
| Unrestricted funds                             |       |           | (42,539)  |           | (40,539)  |
| Restricted funds                               | 14    |           | —         |           | —         |
|  |       |           | (42,539)  |           | (40,539)  |

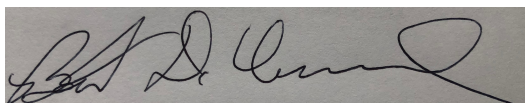
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Trustees by:



Trustee Bart Leonard

Approved by the Board of Trustees on: 1/6/2020

Registered Company Number 08223187 (England and Wales)

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**Basis of preparation**

These accounts have been prepared for the year to 30 September 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

**Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of intangible fixed assets; and
- ◆ estimating the value of gifts in kind received.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, suppliers, beneficiaries and the wider economy. At the date of approval of these financial statements, the pandemic has had a positive impact on the charity's income, due to the shift to digital fundraising. However, the trustees are closely monitoring the impact of COVID-19 on the charity.

**Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect of a period of one year from the date of approval of these accounts and have considered the impact of the coronavirus pandemic on the charity's operations.

These financial statements have been prepared on a going concern basis. The total funds of the charity are in deficit and the charity is reliant on financial support from Panlogic Ltd and Digital Information and Giving Ltd (who are providing extended credit on the £25,008 and £18,723 owed at the year end respectively, see note 15 to the accounts). The charity is running at a small deficit after the end of the financial year, and the Trustees are confident

**Assessment of going concern** (continued)

that the charity will be able to meet its liabilities as they fall due for the foreseeable future and have plans to ensure that the charity can build its reserves up to an acceptable level. For this reason the financial statements have been prepared on a going concern basis.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, commission earned on donations processed through the National Funding Scheme, investment income and income from charitable activities.

Donations processed through the National Funding Scheme are included within income as restricted donations. Any commission earned on these donations by the charity is included within income from charitable activities. The donations less the commission are subsequently passed onto the recipient organisations and included in expenditure as charitable donations. Any amounts not paid over to the recipients at the year end are included within creditors.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

#### **Expenditure recognition** (continued)

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the payment to charities of amounts received through the National Funding Scheme and direct and support costs incurred in the operation of the National Funding Scheme, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

#### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of staff time spent on each activity.

#### **Intangible fixed assets and amortisation**

All assets with a cost greater than £500 and a life expectancy exceeding one year are capitalised.

Intangible fixed assets are included at cost. Amortisation is provided at the following annual rates in order to write off each asset on a straight line basis over its estimated useful life:

- ◆ Software Licence 33% pa of cost.

#### **Fund accounting**

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets these criteria, is charged to the fund.

General unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.



**Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 102.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

## 1 Donations

|                                   | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>funds<br>£ |
|-----------------------------------|-------------------|-----------------|-----------------------------|
| National Funding Scheme donations | —                 | 167,234         | <b>167,234</b>              |
| Gifts in kind (note 15)           | —                 | 129,382         | <b>129,382</b>              |
| <b>2019 Total funds</b>           | <b>—</b>          | <b>296,616</b>  | <b>296,616</b>              |
|                                   |                   |                 |                             |
|                                   | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>funds<br>£ |
| National Funding Scheme donations | —                 | 157,288         | 157,288                     |
| Gifts in kind (note 15)           | —                 | 129,382         | 129,382                     |
| <b>2018 Total funds</b>           | <b>—</b>          | <b>286,670</b>  | <b>286,670</b>              |

## 2 Income from charitable activities

|   | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>funds<br>£ |
|---|-------------------|-----------------|-----------------------------|
| Commission on National Funding Scheme Donations | 19,819            | —               | <b>19,819</b>               |
| Contactless trial                               | 10,236            | —               | <b>10,236</b>               |
| Other   | 4,407             | —               | <b>4,407</b>                |
| <b>2019 Total funds</b>                         | <b>34,462</b>     | <b>—</b>        | <b>34,462</b>               |
|   |                   |                 |                             |
|   | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>funds<br>£ |
| Commission on National Funding Scheme Donations | 10,618            | —               | 10,618                      |
| Event Income                                    | 2,637             | —               | 2,637                       |
| Contactless trial                               | 23,184            | —               | 23,184                      |
| Other   | 1,080             | —               | 1,080                       |
| <b>2018 Total funds</b>                         | <b>37,520</b>     | <b>—</b>        | <b>37,520</b>               |

## 3 Cost of raising funds

|                         | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>funds<br>£ |
|-------------------------|-------------------|-----------------|-----------------------------|
| Costs of raising funds  |                   |                 |                             |
| . Staff costs (note 6)  | —                 | —               | —                           |
| <b>2019 Total funds</b> | <b>—</b>          | <b>—</b>        | <b>—</b>                    |

### 3 Cost of raising funds (continued)

|                               | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>funds<br>£ |
|-------------------------------|-------------------|-----------------|-----------------------------|
| <i>Costs of raising funds</i> |                   |                 |                             |
| <i>. Staff costs (note 6)</i> | 109               | —               | 109                         |
| <b>2018 Total funds</b>       | <b>109</b>        | <b>—</b>        | <b>109</b>                  |

### 4 Charitable activities

|  | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>funds<br>£ |
|--|-------------------|-----------------|-----------------------------|
| Consultancy fees                         | —                 | 85              | 85                          |
| Resourcing contractors and hosting       | —                 | 129,382         | 129,382                     |
| Marketing                                | —                 | 11,282          | 11,282                      |
| Transaction costs                        | —                 | 11,799          | 11,799                      |
| Legal and professional fees              | —                 | 1,800           | 1,800                       |
| Support costs (note 7)                   | —                 | 4,161           | 4,161                       |
| Purchase and rental of contactless units | 6,767             | —               | 6,767                       |
| Charitable donations                     | —                 | 164,300         | 164,300                     |
| Other                                    | —                 | 194             | 194                         |
| Governance costs (note 5)                | 3,319             | —               | 3,319                       |
| <b>2019 Total funds</b>                  | <b>10,086</b>     | <b>323,003</b>  | <b>333,089</b>              |

|   | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>funds<br>£ |
|---|-------------------|-----------------|-----------------------------|
| <i>Staff costs (note 6)</i>                     | —                 | 4,239           | 4,239                       |
| <i>Consultancy fees</i>                         | —                 | 163             | 163                         |
| <i>Resourcing contractors and hosting</i>       | —                 | 129,382         | 129,382                     |
| <i>Marketing</i>                                | —                 | 99              | 99                          |
| <i>Transaction costs</i>                        | —                 | 8,401           | 8,401                       |
| <i>Legal and professional fees</i>              | —                 | 1,967           | 1,967                       |
| <i>Support costs (note 7)</i>                   | —                 | 6,901           | 6,901                       |
| <i>Purchase and rental of contactless units</i> | 14,529            | —               | 14,529                      |
| <i>Charitable donations</i>                     | —                 | 157,036         | 157,036                     |
| <i>Events</i>                                   | —                 | 293             | 293                         |
| <i>Governance costs (note 5)</i>                | 3,083             | —               | 3,083                       |
| <b>2018 Total funds</b>                         | <b>17,612</b>     | <b>308,481</b>  | <b>326,093</b>              |

## 5 Governance costs

|                              | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>funds<br>£ |
|------------------------------|-------------------|-----------------|-----------------------------|
| Independent examination fees | 3,100             | —               | 3,100                       |
| Support costs (note 7)       | 219               | —               | 219                         |
| <b>2019 Total funds</b>      | <b>3,319</b>      | <b>—</b>        | <b>3,319</b>                |

|                              | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>funds<br>£ |
|------------------------------|-------------------|-----------------|-----------------------------|
| Staff costs (note 6)         | 219               | —               | 219                         |
| Independent examination fees | 2,500             | —               | 2,500                       |
| Support costs (note 7)       | 364               | —               | 364                         |
| <b>2018 Total funds</b>      | <b>3,083</b>      | <b>—</b>        | <b>3,083</b>                |

## 6 Staff costs

|                       | 2019<br>Total<br>funds<br>£ | 2018<br>Total<br>funds<br>£ |
|-----------------------|-----------------------------|-----------------------------|
| Wages and salaries    | —                           | 4,421                       |
| Social security costs | —                           | 146                         |
|                       | <b>—</b>                    | <b>4,567</b>                |

No employees received remuneration in excess of £60,000 during the period (2018 – none).

During the period, the average number of staff was zero (2018 – zero).

During the period, no expenses were reimbursed to any Trustee (2018 - £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees. No Trustee received any remuneration for their services (2018 - £nil).

## 7 Support costs

The support costs incurred during the year to 30 September 2019 and the basis of their allocation were as follows:

|                       | Charitable<br>activities<br>£ | Governance<br>£ | 2019<br>Total<br>£ |
|-----------------------|-------------------------------|-----------------|--------------------|
| Insurance             | 461                           | 24              | <b>485</b>         |
| Travel and expenses   | 672                           | 35              | <b>707</b>         |
| Recruitment expenses  | 48                            | 3               | <b>51</b>          |
| Computer and software | 2,980                         | 157             | <b>3,137</b>       |
|                       | <b>4,161</b>                  | <b>219</b>      | <b>4,380</b>       |

|                              | Charitable<br>activities<br>£ | Governance<br>£ | 2018<br>Total<br>£ |
|------------------------------|-------------------------------|-----------------|--------------------|
| <i>Insurance</i>             | <i>446</i>                    | <i>23</i>       | <i>469</i>         |
| <i>Travel and expenses</i>   | <i>52</i>                     | <i>3</i>        | <i>55</i>          |
| <i>Telephone</i>             | <i>28</i>                     | <i>1</i>        | <i>29</i>          |
| <i>Computer and software</i> | <i>6,375</i>                  | <i>337</i>      | <i>6,712</i>       |
|                              | <b>6,901</b>                  | <b>364</b>      | <b>7,265</b>       |

Any direct costs are charged to the relevant activity. Any indirect costs are allocated to each activity based on the estimated level of usage. Amounts relating to costs of raising funds are immaterial and have been disregarded.

## 8 Net movement in funds

This is stated after charging:

|  | 2019<br>Total<br>funds<br>£ | 2018<br>Total<br>funds<br>£ |
|--|-----------------------------|-----------------------------|
| Staff costs (note 6)                                 | —                           | 4,567                       |
| Independent Examiner's remuneration:<br>current year | <b>3,100</b>                | 2,500                       |

## 9 Taxation

The National Funding Scheme is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 10 Intangible fixed assets

|   | Software<br>Licence<br>£ |
|---|--------------------------|
| <b>Cost</b>                                   |                          |
| At 30 September 2018 and 30 September 2019    | <b>100,000</b>           |
| <b>Amortisation</b>                           |                          |
| At 30 September 2018 and 30 September 2019    | <b>100,000</b>           |
| <b>Net book value</b>                         |                          |
| At 30 September 2018 and at 30 September 2019 | <b>—</b>                 |

## 11 Debtors

|                         | 2019<br>£     | 2018<br>£ |
|-------------------------|---------------|-----------|
| Trade and other debtors | <b>6,068</b>  | 2,780     |
| Prepayments             | <b>9,140</b>  | 10,967    |
| VAT Recoverable         | <b>234</b>    | 1,070     |
| Gift aid receivable     | <b>6,893</b>  | 816       |
|                         | <b>22,335</b> | 15,633    |

## 12 Creditors: amounts falling due within one year

|   | 2019<br>£      | 2018<br>£ |
|---|----------------|-----------|
| Trade creditors                                   | <b>7,528</b>   | 5,974     |
| Loan from Digital Information Giving Ltd          | <b>10,631</b>  | 10,631    |
| Amounts due to affiliates with charitable purpose | <b>54,549</b>  | 14,299    |
| Accruals  | <b>2,650</b>   | 2,200     |
| Loan from Levy/Anderson/Ruddock                   | <b>30,000</b>  | —         |
| Tax and social security                           | <b>—</b>       | 494       |
|   | <b>105,358</b> | 33,598    |

The amounts due to affiliates with charitable purpose are held in a separate bank account, as agreed with the Charity Commission.

## 13 Creditors: amounts falling due after one year

|                           | 2019<br>£     | 2018<br>£ |
|---------------------------|---------------|-----------|
| Trade creditors (note 15) | <b>43,731</b> | 43,790    |

#### 14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants to be applied for specific purposes.

|                                   | At 30<br>September<br>2018<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | At 30<br>September<br>2019<br>£ |
|-----------------------------------|---------------------------------|-------------|------------------|----------------|---------------------------------|
| National Funding Scheme donations | —                               | 296,616     | (323,003)        | 26,387         | —                               |
| Gifts in kind                     | —                               | 129,382     | (129,382)        | —              | —                               |
|                                   | —                               | 425,998     | (452,385)        | 26,387         | —                               |

|                                   | At 30<br>September<br>2017<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | At 30<br>September<br>2018<br>£ |
|-----------------------------------|---------------------------------|-------------|------------------|----------------|---------------------------------|
| National Funding Scheme donations | —                               | 157,288     | (179,099)        | 21,811         | —                               |
| Gifts in kind                     | —                               | 129,382     | (129,382)        | —              | —                               |
|                                   | —                               | 286,670     | (308,481)        | 21,811         | —                               |

#### 15 Related party disclosures

The Trustees acknowledge the considerable support given by many individuals and organisations. Specifically Bates Wells Braithwaite for legal work, Panlogic Ltd for technical development and administration support and Digital Information Giving Ltd for the core technology, ongoing development of the technology, technical hosting and maintenance.

William Makower is a shareholder director of Panlogic Ltd and Digital Information and Giving Ltd and a serving Trustee of The National Funding Scheme.

- ◆ During the period William Makower, founder Trustee, continued to provide advisory services to the charity on a volunteer basis (with no charge to the charity). William Makower received no payment for provision of Trustee services or advisory services to the charity during the period.
- ◆ During the period, Panlogic Limited provided £67,445 (2018 - £67,445) of pro-bono support to the charity in relation to rent, marketing and staff time. This has been recognised as a gift in kind in the financial statements. Panlogic Ltd also invoiced the charity £2,633 during the year for these services (2018 - £3,147).
- ◆ At the year end, £25,008 (2018 - £22,375) was owed to Panlogic Ltd.
- ◆ During this and the previous year, the charity did not pay Digital Information and Giving Ltd for hosting and maintenance costs. Digital Information and Giving Ltd provided £28,604 (2018 - £28,604) of pro-bono support to the charity during the period. This has been recognised as a gift in kind in the financial statements.

**15 Related party disclosures** (continued)

- ◆ There was a balance of £18,723 (2018 - £21,415) owed to Digital Information and Giving Ltd at 30 September 2019.
- ◆ During the year, the charity did not pay Digital Information and Giving Ltd for the software licence (2013-2016 - £33,333 per annum). A gift in kind of £33,333 (2018 - £33,333) has therefore been recognised in the financial statements for the software license.
- ◆ During the year, no donations (2018 - £nil) were received from the Trustees.

**16 Post balance sheet events**

Since the year end, the worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. The trustees acknowledge and recognise, as set out in the trustees' report, the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations. As a result, the impact of Covid-19 pandemic does not warrant any adjustments to these financial statements.