



INSTITUTE OF FUNDRAISING

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

Registered Charity Number in England and Wales 1079573 and in
Scotland SC038971. Company Limited by Guarantee no. 3870883.

Our Vision

Excellent fundraising for a better world

Our Mission

To create the environment and understanding for fundraisers to excel

Excellent fundraising is the essential ingredient that enables organisations to make the world a better place.

What do we mean by excellent fundraising?

Excellent fundraising is fundraising that has the values of the organisation at its heart. It inspires people and organisations to give, and it provides the resources in order that those organisations fulfil their objectives. Excellent fundraising is ethical and effective and treats donors fairly and with respect.

An excellent fundraising organisation is one that adopts a strategic approach to achieving its objectives; embeds excellent fundraising throughout its organisation, including in its staff, volunteers and trustees; continually reviews its practices and makes improvements, innovates through ideas and technology, and invests in staff, volunteers and systems.

Our Charitable Objects

- i) To advance or promote the efficiency of organisations established for charitable purposes throughout the United Kingdom (as defined in the Charities Act 2011)
- ii) To promote higher standards of administration and fundraising for charitable purposes (as so defined) throughout the United Kingdom
- iii) To educate the public in relation to the matters referred to in i) and ii) above, throughout the United Kingdom.

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The Trustees are pleased to present their report, together with the financial statements of the charity for the year ended 31st March 2020.

1. INTRODUCTION

The Institute of Fundraising (IoF) was founded in 1983 by a committed group of fundraisers getting together to tackle fundraising issues – setting standards, sharing learning, and representing fundraisers to government. Since then the IoF has expanded and evolved and is now the largest individual representative body in the voluntary sector with over 5,800 individual members. Our organisational members – over 670 of them – generate more than £10bn in voluntary income for good causes every year.

Our influence on charity fundraising is second to none, as the voice of charity fundraisers, a hub of high standards and innovation, and the 'go to' body for training and qualifications. Our reach and support for the fundraising community extends across the whole of the United Kingdom with vibrant IoF groups running events and networks in every nation and region, and our 24 Special Interest Groups bringing fundraisers together in every interest area from major donors, to individual giving, from the cultural sector to technology. Each positive interaction the Institute has with a fundraiser means they are better able to have an impact for the causes and communities for which they work or volunteer. For that reason, we are very proud that we have continued to expand our reach, services, and support for fundraisers. And in the context of continued economic uncertainty around COVID19 and Brexit, our role in improving the understanding of fundraising and in supporting a better environment for fundraisers to raise money has never been so crucial.

Over the last year, the IoF put a firm emphasis on increasing equality, diversity and inclusion within the fundraising profession launching our new ChangeCollective strategy and beginning to deliver key activities. We believe that to deliver truly excellent fundraising we need an equal, diverse, and inclusive profession where everyone is the right fit, and we are committed to working with our members and the wider charity sector to achieve this.

We continued delivery of the RAISE programme as a Sector Support Organisation to the Arts Council. With our own Cultural Sector Network, and in partnership with Young Arts Fundraisers and other stakeholders, we have hosted specialist events, awarded bursaries to courses and qualifications and produced inspiring content to continue to spread excellent fundraising practices throughout Arts, Culture and Heritage organisations across England.

We have also continued our focus on improving supporter experience in fundraising as we deliver the legacy and vision of the Commission on Donor Experience, with the support of our strategic partner, Salesforce.org and our Supporter Experience special interest group.

Finally, we are delighted to say that on 25th March 2020 we received our Royal Charter and proceeded to transfer all the assets of the Institute to the new Chartered Institute on 31st March 2020. This represents a long and committed journey for the Institute to achieve Royal Chartered status, and we hope, despite the extraordinarily difficult times in which we have achieved it, means a new status for the profession which will help us go from strength to strength as a community of fundraisers committed to making the world a better place.

2. PERFORMANCE AND IMPACT

Over the course of the year, we have continued to deliver against our Strategic objectives to create a better environment for fundraisers to fundraise, increasing the understanding of fundraising and enabling fundraisers to be the best they can be.

More specifically our priorities for last year were taking forward our work on equality, diversity, and inclusion, extending our reach into the cultural sector and driving forward our work on the supporter experience.

We have delivered all of that, and more. We have continued to grow overall the support we offer to the wider fundraising community. We have more than 5,800 individual members (similar to 2018/2019) whilst the number of organisational members has increased to 675 (from 630 in 2018/2019) and corporate members to 124 (from 115 in 2018/2019) and we have almost 200 members of Remember A Charity, our long term campaign to increase legacy giving.

Enabling fundraisers to be the best they can be

Our annual Fundraising Convention and National Fundraising Awards had another successful year, with 2,488 fundraisers participating in Convention (2,420 in 2018). We also had 142 fundraisers graduate with one of our qualifications (compared to 105 in 2018/2019). We continued to attract a large number of fundraising professionals to our conferences and events, and our national, regional and Special Interest Groups (SIGs) continued to grow their reach through a wide range of training courses, conferences and events.

The evaluations of all our activities has maintained with our conferences and events rated on average at 4.04 out of 5 (2018/2019: 4.25 out of 5).

95% of our Certificate and 100% of our Diploma students said that undertaking the qualification had helped them in their professional

development and improved their career prospects (87% in 2018/2019). 92.42% of those who attended our short professional training courses felt more confident about the course topic after attending (slightly down from 93% in 2018/2019).

We continued our RAISE programme to support fundraisers in the Arts and Culture sector, funded by Arts Council England, and working in collaboration with the Institute of Fundraising's Cultural Sector Network (CSN) and Young Arts Fundraisers. We appointed more regional advocates and welcomed hundreds of fundraisers to the CSN Conference.

Remember A Charity, our long-term legacy campaign, has continued to grow its reach and support for members and the wider fundraising community, with hundreds of charities now actively promoting Remember A Charity Week each year. At the same time, we have worked to increase our public affairs work, successfully ensuring that the Office of Tax Simplification backed our recommendation to retain the current inheritance tax rate relief. In the next five years, more than 10,000 estates will likely benefit from this reduced rate of tax, generating millions in legacy income.

Creating a better environment for fundraisers to fundraise

Over the year we have continued to work with our members, and across the charity sector, so that fundraisers are able to work to the best of their ability for their causes.

As the professional membership body we have worked closely with the Fundraising Regulator to ensure high standards for fundraising are both set and followed in fundraising activity. We engaged at a high and detailed level on the revision of the Code of Fundraising Practice, working with the Fundraising Regulator's Standards Committee, to ensure that the revised Code was both practice, useful, and accessible for fundraising professionals and organisations.

We have continued to offer support, advice, and guidance for both individual members and fundraising organisations, revising and refreshing our online guidance as well as working with other organisations and across the sector to improve fundraising standards and practice – including producing content for Knowhow Notprofit on safeguarding and keeping fundraising safe.

As the Coronavirus Pandemic started to hit in March 2020 we responded quickly and swiftly in issuing joint guidance with the Fundraising Regulator, and entering into close engagement and consultation with Government on appropriate action/guidance for fundraising organisations to take in relation to social distancing. We also have curated a range of

guidance and insight materials to help organisations respond to the pandemic in relation to their fundraising strategies and activity – including commissioning research into donation trends and the relationship of performance of the economy, as well as partnership pieces (such as with THINK Consulting) on revising fundraising strategies.

During a year of electoral and political change, we launched a short and clear call to put generosity at the heart of the next Government, as well as calling for every MP to be a fundraising champion within their local constituency. We have continued to work with governments across the UK to champion fundraising and hosted a successful Championing Excellence in Fundraising reception in the Scottish Parliament in Holyrood at the end of May 2019, with a keynote address from Aileen Campbell, the Cabinet Secretary for Communities in the Scottish Government.

We have also worked together with partners to provide detailed guidance, advice, and best practice to help fundraisers improve standards and activity. 'The Power of Mail' was produced in partnership with Royal Mail and provides a range of guidance and advice on direct mail fundraising. We have continued to produce regular blogs and contributions to be published across the sector.

'Future-proofing your fundraising' was a new initiative which was published in August 2019 and reviewed the political, economic, social, technological developments that charities and fundraisers should be aware of and was well-received by our members providing thought-leadership across the sector.

Increasing the understanding of fundraising

We have put out a number of high quality insight and research pieces to help inform fundraisers as well as increase the understanding of fundraising more generally across the sector and to other partners and stakeholders.

We published a further 'Year in Fundraising' in December bringing together key insights and stats to provide an 'annual review' of the year for fundraisers on important trends and developments.

We also developed a number of partnerships to deliver research and insight for our members and fundraisers. Charity Benchmarks was a partnership with Open Fundraising collating and sharing insight on fundraising performance, challenges, and opportunities across our membership. The Status of UK Fundraising (with Blackbaud) continues to be a yearly 'yardstick' to provide benchmarking and real-time insight on fundraising strategies to our members and inform activity.

A new partnership with PwC resulted in 'Fundraising for Impact' – a new research project published in May 2019 - which provided an overview of

fundraising performance, strategic decisions, and thought-leadership on future challenges and opportunities. A launch event in London, complemented with a further event in Edinburgh, proved popular and brought prominence to the findings as well as positive engagement with our members and across the sector.

'The Giving Experience: Overcoming the barriers to giving among the wealthy in the UK' was published in partnership with the Beacon Collaborative and was a major new piece of research into major giving and philanthropy based on a large survey and qualitative research.

We also worked with other sector initiatives, such as The Charity Tax Commission and the Civil Society Futures project to put forward ideas and thought-leadership on steps and initiatives to improve fundraising and enhance giving in the UK.

We published several key reports as part of our Change Collective strategy throughout the year including our largest piece of research into diversity in the fundraising profession launched in June, with contributions from over 400 charities providing information on over 6,000 fundraisers. We worked in partnership with PwC to analyse the findings and it provides a benchmark to be able to track future progress. This is heavily referenced in the EDI strategy (on the agenda).

In March we launched a new report, 'Missing Out: understanding the gap in female leadership in fundraising', and set tangible actions for ourselves and member organisations to tackle the gap at the top (including a new Influence and Impact for Women in Leadership course) launching this summer.

Impact

We know that every interaction we have with a fundraiser means that they can go back to their charity to deliver ever more excellent fundraising, inspiring even more donors to support their cause.

We also know that fundraising has a wider impact above and beyond the specific amount raised for a charity. Giving to charity is an important way for people to engage with civil society and connect with causes and issues that matter to them. Fundraising is an important part of raising awareness, and the evidence shows that through giving people go on to take further positive actions in relation to those causes, as well as feel better in themselves.

Evidence we collect also shows that every year the standards of public fundraising have increased, with fewer breaches of the Code of Fundraising Practice and Rule Books. Our mystery shopping programme shows a further year on year improvement in fundraising standards, meaning the general public and potential donors are enjoying a better

experience from every interaction. Local authorities receive fewer complaints about fundraising where we have site management agreements in place.

We are also proud of our impact on increasing legacy giving, driven by Remember A Charity's strategic approach to shifting public attitudes. A record 40% of the UK population now claim that they would be happy to leave a gift in their will. And the percentage of solicitors who claim to never mention charitable giving to clients has also more than halved, falling from 16% in 2012 to 7% in 2019.

With legacy giving making up more than £3 billion in annual income to charities already, we know that every extra conversation, every increase in the number of people leaving a gift to a charity in their will, means that in the future charities will be able to do even more to pursue their vital causes.

We also know that our work on equality, diversity and inclusion is galvanising action across the sector through our #ChangeCollective campaign. The Change Collective Strategy, developed by our Expert Panel on Equality, Diversity and Inclusion, was launched at Convention 2019 and has been widely publicised across the sector, with interest from HR directors and universities, as well as from other umbrella bodies and a wide range of recruitment agencies. Our Diversity Access Fund enabled more than 40 people to participate in and contribute to Fundraising Convention 2019. We produced with PwC the largest ever survey of the diversity of fundraising teams across the UK, and published polling data on the perception of fundraising as a career with YouGov. Our staff team have all received training on equality, diversity and inclusion, and we are in the process of collecting baseline diversity data in relation to our staff team, trustees, and volunteer committees.

We would like to thank the following for their support over the year: Arts Council England, the National Lottery Community Fund in Wales, and the Scottish Government.

We would also like to thank all our generous supporters for their donations to our Diversity Access Fund.

3. FUTURE PLANS

As stated earlier, on 31st March 2020 the Trustees of the Institute transferred all the assets and liabilities of the Institute to the newly created Chartered Institute of Fundraising, with the same members and Trustees.

However, that means that all future plans belong to the Chartered Institute.

It would be remiss not to reflect on the fact that the whole of the UK is still battling to overcome coronavirus. All our professional and personal lives have been affected by the crisis, and the fundraising community itself has been harshly hit, with many activities currently on hold. This has had a clear and challenging impact of charities' incomes as well as our own.

The Institute of Fundraising transferred its assets to the newly formed Chartered Institute of Fundraising. Therefore, these accounts have not been prepared on a going concern basis. Notwithstanding the challenges posed by Covid-19 in 2020, at the time of the transfer of assets and liabilities, the financial position of the Institute was strong. We are also aware that the Trustees of the new Chartered Institute of Fundraising have refocused activity on helping the fundraising community and the sector through the current pandemic, and are taking action to ensure a sustainable future for the Chartered Institute of Fundraising.

4. FINANCIAL REVIEW

4.1 INTRODUCTION

Our financial statements follow Financial Reporting Standard (FRS) 102 and Charities SORP 2015. In total, the Institute had income of £6.0m (against £6.0m in 2018/19). Expenditure (before the transfer of net assets to the Chartered Institute of Fundraising) totalled £6.2m (against £5.8m in 2018/19).

As noted elsewhere in this report, with effect from 11:59pm on 31 March 2020, the activities and net assets of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising. The total carrying value of the net assets transferred of £1.6m has been recognised as part of the expenditure for the year ended 31 March 2020 – see note 17 to the financial statements for further details. Total expenditure for the year was therefore £7.8m (2018/19: £5.8m) and the net decrease in funds for the year was £1.8m (2018/19: net increase of £0.2m).

The Chartered Institute of Fundraising shares the same charitable objects as the Institute of Fundraising and the reserves transferred will be applied as intended by the trustees of the Institute of Fundraising. Under the terms of the transfer agreement, the Chartered Institute of Fundraising has indemnified the trustees of the Institute of Fundraising against any additional liabilities which may arise, other than those arising as a result

of negligence, default, breach of duty, or breach of trust, where the trustees are found to be guilty of the offence.

4.2 RESERVES POLICY

The nature of the Institute's activities has meant that the majority of income has been received in advance, notably from membership and events. This not only provided the Institute with high levels of working capital but also allowed the charity to adapt future plans based on income secured to manage risks. At the end of March 2020, income received in advance (reported in the creditor balance) totalled over £1.1m (2019: £1.3m).

As a result of this analysis of income received and the dynamics of the current business model, the Board of Trustees has adopted a risk-based reserves policy. This policy takes high and medium risks established as part of the annual planning process and feeds them into the budget for the year to provide a composite picture of the overall impact of retained risk on free reserves. This approach is designed to enable the retention of sufficient free reserves to fund unexpected expenditure when unplanned events occur that cannot be managed through revisions to in-year plans.

Following a review of the risks to which the successor charity, the Chartered Institute of Fundraising may be exposed to in its plans for 2020/21, the Board of Trustees considered that the Institute should hold free reserves in the range of £300k to £400k. This would allow the new Chartered Institute to operate as effectively as possible and to implement its strategy.

After excluding restricted and designated funds, the free reserves of the charity immediately prior to the transfer amounted to £283k.

4.3 INVESTMENT POWERS AND POLICY

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Trustees see fit.

The Trustees delegate the management of investments to the Finance and Resources Committee. Excess cash funds are held on short-term deposits.

4.4 FUNDRAISING PRACTICES STATEMENT

Over the course of 2019/20 the Institute of Fundraising undertook limited public fundraising activity in support of the Diversity Access Fund through JustGiving. The Institute does not employ any staff with a specific remit for public fundraising.

The Trustees have reviewed the Charity Commission *Charity fundraising: a guide to trustee duties* (CC20) guidance and are confident that obligations are being fulfilled.

The Chief Executive and all the Directors have a role in diversifying the Institute's income, with specific responsibility allocated to our Director of Development & Remember A Charity. The Head of Development is a salaried member of staff who has oversight of all grant applications and the Diversity Access Fund and has a remit to diversify the Institute's income. The IoF does not recruit volunteer fundraisers. The IoF does not have any subsidiary trading companies, nor do we employ commercial third parties to undertake fundraising on our behalf.

IoF members agree to abide by the regulations set out in the Code of Fundraising Practice and our Code of Conduct. Our Member Disciplinary Procedures are published on our website.

Our commercial and corporate supporters/members do not undertake public fundraising on our behalf. They also sign up to support the Code and best practice and can be disciplined and removed from membership if in breach of the Code.

Agreed governance procedures are in place to assist our network of volunteers to maintain proper use of our data, name, image, logo and intellectual property. Staff provide support to our volunteers who each sign up to a Volunteer Agreement and undertake not to bring the Institute into disrepute.

Each of our staff team is aware of the Code of Fundraising Practice and our volunteers and members sign up to comply with the Code of Fundraising practice. We regularly brief the staff team on developments in the Code.

We have an open complaints process, which the Trustees have reviewed and agreed, which applies to IoF staff, volunteers and our members. Our complaints procedure is published on our website. We received one complaint about our fundraising over the course of the year, in relation to the appropriateness of raising money from our members to support our Diversity Access Fund.

Financial oversight of income generation and expenditure is provided by the Finance & Resources Committee, which reports to every Board meeting. Risks are managed through Corporate & Financial Risk Assessments. Effective financial controls are in place and any serious incident would be reported to the Charity Commission and other relevant agencies.

Reports are filed in accordance with the regulations set out by Companies House, the Charity Commission and OSCR.

4.5 RISK ASSESSMENT

The Trustees have a process of continuous risk assessment that examines key areas of risk at quarterly Trustee meetings. The Chief Executive is tasked with reporting to the Trustees about the implementation of agreed systems to manage identified areas of risk. The Trustees are satisfied that the major risks to which the Institute is exposed have been reviewed and systems have been established to manage and mitigate the impact of those risks.

The Trustees have identified the following key areas of external and business critical risk to be considered by the Trustees of the Chartered Institute of Fundraising moving into 2020:

- ◆ The coronavirus pandemic will have a significant impact on the newly established Chartered Institute, its members, the whole fundraising community and the charity sector as a whole. Measures to protect public health are likely to continue having a significant impact on fundraised and trading income and will have a severe impact on a whole range of the Chartered Institute's business model.
- ◆ The ongoing risk to the fundraising profession of a major scandal or an externally driven campaign, which could result in major financial and delivery challenges for the fundraising community, the Chartered Institute's members, and the Chartered Institute. In order to mitigate the risk, we suggest the Chartered Institute should continue to invest in our compliance, guidance and training services to support members to meet their obligation to adhere to the Code of Fundraising Practice. We suggest the Chartered Institute should focus on promoting excellent and innovative fundraising and continue to invest staff time and resources to manage media and external relationships.
- ◆ The potential for statutory regulation of fundraising and a political environment and policy context unsympathetic to fundraising could have a significant impact on services provided by charities and the Chartered Institute. We believe the Chartered Institute should continue to support fundraisers to deliver excellent fundraising, and represent the fundraising community to the government, regulators and the media.
- ◆ Implementation of the internal transformation programme, notably including new CRM system and website requires significant focus and organisational commitment in addition to ongoing service delivery and enhancement. Oversight of the transformation programme should continue to be provided by the Finance & Resources Committee and the Board of the Chartered Institute.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Institute of Fundraising is governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator. The Institute is a company limited by guarantee with the Trustees as company directors.

5.1 APPOINTMENT OF TRUSTEES

The Institute of Fundraising is governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator. The Institute is a company limited by guarantee with the Trustees as company directors.

5.1 APPOINTMENT OF TRUSTEES

Eight Trustees are elected by the membership and are announced at the Annual General Meeting, which takes place in July each year. Up to four further Trustees may be co-opted at any time.

Elected Trustees serve a term of three years and may be appointed to serve for one further term. The four co-opted Trustees shall retire after one year, unless reappointed. Each co-opted trustee shall be eligible for reappointment up to a maximum term of six years in total.

The Chair and Officers are appointed by the Trustees from among their number.

Amanda Bringans was appointed Chair of the Institute in July 2017 and stepped down in July 2020.

Claire Rowney was appointed Vice Chair in July 2019 and appointed to be Chair to succeed Amanda in July 2020.

Kath Abrahams was appointed Vice-Chair in 2017; 2018 and stepped down in July 2019.

Carol Akiwumi was appointed Vice Chair in July 2020.

Rohan Hewavisenti was appointed Honorary Treasurer in July 2019; re-appointed in July 2020.

Kelvin Hopkins was co-opted to the Board of Trustees in March 2020.

Liz Tait was re-elected for a second three-year term and Joyce Fraser and Sofia Zeenat Sheikh were newly elected to the Board in July 2019.

5.2 TRUSTEE INDUCTION AND TRAINING

All new Trustees are issued with a full set of documents covering governance, the committee and decision-making process, the business plan and recent financial performance of the charity and are given a full induction by the Chair and staff team. The Trustee away day focuses on the strategic direction of the Institute and involves the organisation's Senior Leadership Team.

5.3 ORGANISATION

The Board convenes every quarter for a meeting that examines performance, finance, strategy and risk.

The Board of Trustees continues to move towards the standards set out in the Charity Governance Code and have been taking action to address specific identified weaknesses since then.

The Board have also noted NCVO's Charity Ethical Principles.

Clearly laid out responsibilities are defined for the Trustee body. Delegated powers are given to the Finance and Resources Committee to provide oversight of finance, HR, IT, investment and property matters, and to the Nominations and Elections Committee to oversee the trustee election and nomination processes.

The Finance & Resources Committee is chaired by the Honorary Treasurer, and the committee is composed of a mix of Trustees and non-trustees appointed for their technical skills and experience.

The Board has set up a series of advisory and functional committees to support the staff in the day-to-day running of the Institute. These are:

- ◆ Finance and Resources Committee
- ◆ Fundraising Convention Board
- ◆ Standards Advisory Board
- ◆ Policy Advisory Board
- ◆ Learning and Development Committee
- ◆ Nominations and Elections Committee

Following the work of the Independent Panel on Equality Diversity and Inclusion the Board set up a new Committee in July 2019, chaired by Vice Chair, Carol Akiwumi, to steer our work in this area:

- ◆ Equality, Diversity and Inclusion Committee.

In March 2019, it was decided to replace the formal Policy Advisory Board with a more informal Policy Forum. There is also a formal Public Fundraising Strategy Group that takes oversight of public fundraising and advises the Board and staff team as necessary.

Trustees either chair or are members of each of these committees thereby creating an additional control on the information that is accessible to the full Board.

As at 31st March 2020 the Board comprised of 11 Trustees: 10 women and one man. 4 of the Trustees are BAME.

The Board formally delegates day-to-day management to the Chief Executive, Peter Lewis. The Chief Executive leads a Senior Leadership Team made up of the Director of People & Resources, Director of Partnerships & Innovation, Director of Membership, Compliance and Professional Development, Director of Engagement & External Affairs, and Director of Development & Remember A Charity.

As at 31st March 2020 the staff team was 29% BAME and 69% white British or white other and 2% preferred not to say.

67% of our staff team identify as female, compared to 31% male with 2% declining to say.

We have an age diverse team with the highest proportion (29%) between the ages of 25 and 34, and the lowest (5%) between 18 and 24. 65% of our team are between 35 and 64.

11% of the staff team identified as gay or bisexual with 9% preferring not to say. 19% of staff have a disability with 3% preferring not to say.

5.4 STAFF REMUNERATION

Trustees set the salary of the Chief Executive, using benchmarking and other data to inform their decision. The Chief Executive, in consultation with the Board and Finance and Resources Committee, sets the salaries of all other staff, using benchmarking and other data to review pay levels.

Although not required to report on gender pay due to the size of the organisation (56 employees), we conducted a gender pay gap analysis which shows that in March 2020 the mean pay gap was 21.9% and the median pay gap was 22.6%. This compares with 27.5% and 21.8% for March 2019. Analysis across the job levels indicates a low number of men in junior (assistant level) roles and the need to increase the percentage of female employees in Director roles.

Although not required to report on pay ratios due to the size of the organisation, we are committed to transparency and have reported below

the ratio of our highest paid staff member (the salary plus benefits of our CEO) to each of three points on the pay scale – the 25th percentile, the median and the 75th percentile. We have conducted this analysis in 2019 and 2020.

25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
3.4:1	2.7:1	1.9:1
3.6:1	2.8:1	1.9:1

Although not required to report on how ethnicity affects pay, we are committed to eliminating structural racism and so have conducted an ethnicity pay analysis. This shows that in March 2020 the median hourly pay gap between BAME and white employees was 9.9% and the mean hourly pay gap between BAME and white employees was 16.1 %. This is the first time we have undertaken this analysis. 29 % of our employees identify as BAME compared to 40.2% of Londoners (ONS census data).

5.5 VOLUNTEERS

The IoF relies on the voluntary input of members and supporters for a large amount of its activities. Time given as group committee members and organisers, speakers, trainers, advisors, Committee members and in other ways supporting IoF's work enables us to provide a wide range of services to members and the sector that we would otherwise be unable to provide. We currently have around 500 regular volunteers.

This volunteer time is not recognised as either income or expenditure in the Statement of Financial Activities but is of huge importance to our members and the wider fundraising community, and is greatly valued by the organisation.

5.6 PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Institute of Fundraising's charitable purpose is enshrined in its objects, as follows:

- i. To advance or promote the efficiency of organisations established for charitable purposes throughout the United Kingdom;
- ii. To promote higher standards of administration and fundraising for charitable purposes (as so defined) throughout the United Kingdom;
- iii. To educate the public in relation to the matters referred to in (i) and (ii) above throughout the United Kingdom.

The Trustees ensure that these purposes are carried out for the public benefit by delivering services to enable those with fundraising responsibility in the charity sector to develop and adopt best practice, thereby promoting a transparent and efficiently managed charity sector that engenders public confidence and trust. Further, by supporting those in the charity sector with fundraising responsibility, we are able to help all charities to maximise the use of their resources and make a greater impact for all their beneficiaries.

The services that we deliver cover our strategic objectives as set out. Many of these services are open to all, for example training courses and conferences can be accessed by non-members, whilst our policy and campaigning work also benefits those in the wider fundraising community. Institute of Fundraising membership is open to any organisations or people employed by a charity or business with responsibility for, or an interest in, fundraising, and who are happy to sign up to comply with the Code of Fundraising Practice and our own Code of Conduct. The Institute provides a range of bursaries and scholarships to support access to our services.

Within the structure of the Annual Report of the Trustees, we have commented on this year's activity against our strategic objectives.

All Trustees give their time voluntarily and receive no benefit from the charity in relation to their role as Trustees. Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

5.7 TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Institute of Fundraising for the purposes of company law) are responsible for preparing the trustees' report 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 charitable company of the income and expenditure, of 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 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 UK and Republic of Ireland (FRS 102);

- ◆ make judgments 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 charitable company 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 charitable company 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) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

The Report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime and was approved by the Trustees on 15th October and signed on their behalf by

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Claire Rowney, Chair

6. INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of the Institute of Fundraising (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to the statement regarding going concern within the principal accounting policies set out in note 1 to the financial statements. As noted by the trustees, with effect from 11.59pm on 31 March 2020, in accordance with a deed of transfer, the activities, assets and liabilities of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising, a charitable company incorporated by Royal Charter (Charity Registrations Number: 1188764; Company Registration Number: RC000910). These accounts have therefore been produced on a basis other

than going concern. No adjustments were needed to the carrying value of assets and liabilities immediately prior to the transfer upon the adoption of a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- ◆ proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Edward Finch (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL

Date

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

7. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

7.1 STATEMENT OF FINANCIAL ACTIVITIES

		2020			2019		
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM:							
Donations and legacies							
(including gifts in kind)		-	78,000	78,000	47	461	508
Raising funds	2	171,675	-	171,675	181,554	-	181,554
Investments and interest		-	-	-	26	-	26
Charitable activities							
- Create a better environment for fundraisers to raise money	3						
- Increase understanding of fundraising		1,261,486	1,064,539	2,326,025	1,231,614	1,112,433	2,344,047
- Enable fundraisers to be the best they can be		260,755	268,017	528,772	-	545,622	545,622
		2,701,354	214,586	2,915,940	2,612,723	315,134	2,927,857
Other sources		2,666	-	2,666	2,518	-	2,518
TOTAL INCOME		4,397,936	1,625,142	6,023,078	4,028,482	1,973,650	6,002,132
EXPENDITURE ON:							
Raising funds	2	265,938	-	265,938	222,391	-	222,391
Charitable activities							
- Create a better environment for fundraisers to raise money	4						
- Increase understanding of fundraising		1,075,954	1,109,789	2,185,743	953,130	1,097,592	2,050,722
- Enable fundraisers to be the best they can be		416,662	268,251	684,913	200,804	531,064	731,868
		2,795,586	302,619	3,098,205	2,507,517	278,332	2,785,849
		4,554,140	1,680,659	6,234,799	3,883,842	1,906,988	5,790,830
Transfer to the Chartered Institute of Fundraising	17	1,178,948	423,147	1,602,095	-	-	-
TOTAL EXPENDITURE		5,733,088	2,103,806	7,836,894	3,883,842	1,906,988	5,790,830
NET (EXPENDITURE) INCOME		(1,335,152)	(478,664)	(1,813,816)	144,640	66,662	211,302
TRANSFERS BETWEEN FUNDS							
	13	407,892	(407,892)	-	(29,801)	29,801	-
NET MOVEMENT IN FUNDS		(927,260)	(886,556)	(1,813,816)	114,839	96,463	211,302
RECONCILIATION OF FUNDS							
Total funds brought forward at 1st April 2019	13, 14	927,260	886,556	1,813,816	812,421	790,093	1,602,514
Total funds carried forward at 31st March 2020	13, 14	-	-	-	927,260	886,556	1,813,816

The statement of financial activities includes all gains and losses recognised in the year.

With effect from 11.59pm on 31 March 2020, in accordance with a deed of transfer, the activities, assets and liabilities of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising, a charitable company incorporated by Royal Charter (Charity Registrations Number: 1188764; Company Registration Number: RC000910).

7.2 BALANCE SHEET AS AT 31ST MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible fixed assets	9	-		80,526	
Tangible fixed assets	10	-		47,039	
					127,565
Current assets					
Debtors	11	-		1,417,304	
Cash in bank and in hand		-		1,959,968	
				3,377,272	
Creditors: amounts falling due within one year	12	-		(1,691,021)	
Net current assets			-		1,686,251
Total net assets			-		1,813,816
The funds of the charity					
Unrestricted funds	13				
- General		-		469,748	
- Designated		-		457,512	
Total unrestricted funds			-		927,260
Restricted income funds	13		-		886,556
Total charity funds			-		1,813,816

The financial statements were approved by the Trustees on 15 October 2020 and signed on their behalf by:

Claire Rowney
Chair

Rohan Hewavisenti
Hon. Treasurer

7.3 STATEMENT OF CASH FLOWS YEAR TO 31ST MARCH 2020

	Note	2020 £	2019 £
Cash flow from operating activities			
Net cash used in operating activities	A	(29,538)	(82,750)
Cash flows from investing activities			
Investment income		-	26
Purchase of fixed assets		(420,104)	(11,544)
Net cash used in investing activities		(420,104)	(11,518)
Change in cash and cash equivalents in the year		(449,642)	(94,268)
Transfer to the Chartered Institute of Fundraising	17	(1,510,326)	
Cash and cash equivalents at 1st April 2019		1,959,968	2,054,236
Cash and cash equivalents at 31st March 2020	B	-	1,959,968

Notes to the cash flow statement for the year to 31st March 2020

A Reconciliation of net movements in funds to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure) income for the reporting period (as per then statement of financial activities)	(1,813,816)	211,302
Adjustments for:		
Transfer to the Chartered Institute of Fundraising (note 17)	1,602,095	-
Depreciation and amortisation charge	87,167	112,385
Investment income and interest receivable	-	(26)
Decrease (increase) in debtors	383,838	(217,599)
Decrease in creditors	(288,822)	(188,812)
Net cash used in operating activities	(29,538)	(82,750)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Total cash and cash equivalents: cash at bank and in hand	-	1,959,968

7.4 NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Statutory information

The Institute of Fundraising is a charitable company limited by guarantee and is incorporated in England, Wales and Scotland. The registered office address is Charter House, 13-15 Carteret Street, London, SW1H 9DJ.

b) Basis of preparation

The financial statements 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 UK and Republic of Ireland (FRS 102), (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The accounts are presented in sterling and are rounded to the nearest pound.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) 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 tangible and intangible fixed assets;
- ◆ provision of bad debt; and
- ◆ the allocation of support costs (as discussed below).

e) 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.

With effect from 11.59pm on 31 March 2020, in accordance with a deed of transfer, the activities, assets and liabilities of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising, a charitable company incorporated by Royal Charter (Charity Registrations Number: 1188764; Company Registration Number: RC000910). The trustees have therefore prepared the financial statements on a basis other than a going concern. No adjustments were needed to the carrying value of assets and liabilities immediately prior to the transfer upon the adoption of a basis other than going concern.

f) Income

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from membership, corporate support, sponsorship, exhibitions and advertising is credited to the Statement of Financial Activities when earned. Income from training courses is credited to the Statement of Financial Activities when the course commences. All other items of income are credited to the Statement of Financial Activities in the year in which they are received.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

g) Donated goods and services

Donated goods and services are included at the value to the Institute i.e. the value the Institute would have paid in the open market. The majority of these gifts in kind are donated venues and meeting hosting, and free marketing and advertising.

h) Investment Income

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

i) Fund accounting

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

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds designated by the Trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure, other than for training courses, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure for training courses is recognised in full when the course commences.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and their associated support cost.
- Expenditure on charitable activities includes the costs of delivering services, training, events and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

k) Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

l) Intangible fixed assets

Comprises of computer software enhancements on the Institute's database and website and compliance training platforms, which are capitalised where the purchase price exceeds £500. Amortisation costs are allocated to activities on the basis of the use of the related assets in those assets. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Amortisation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life, which has been calculated as 4 years.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Office Equipment	4 years
Furniture and Fittings	4 years
Land and Buildings	remaining life of the lease
Leasehold equipment	remaining life of the lease(s)

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Income received in advance for goods or services that accrue in future periods are deferred and recognised as a liability.

q) Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute. The Institute makes contributions to the pension scheme in accordance with its obligations under the Pensions Reform Regulations. All amounts paid by the charity are charged to the Statement of Financial Activities as incurred.

r) Tax policy

The Institute is exempt from Corporation Tax as its income is raised charitably and spent on its charitable purposes

2 Income and expenditure from raising funds

	Unrestricted funds	
	2020	2019
	£	£
Income from raising funds		
Corporate support	117,182	133,000
Corporate sponsorship	54,493	48,554
	171,675	181,554

	Unrestricted funds	
	2020	2019
	£	£
Costs of raising funds		
Staff costs	174,514	153,015
Web development	38,171	22,947
Corporate sponsorship	8,724	8,375
Support costs (note 5)	44,529	38,054
	265,938	222,391

3 Income from charitable activities

	Create a better environment for fundraisers to raise money £	Increase understanding of fundraising £	Enable Fundraisers to be the best they can be £	2020 Total £
Unrestricted funds				
Individual membership	541,920	-	-	541,920
Organisational membership	719,566	-	-	719,566
Compliance Directorate	-	260,755	-	260,755
National convention, conferences and events	-	-	1,346,829	1,346,829
Academy	-	-	753,355	753,355
Other professional development income	-	-	45,886	45,886
Regional and special interest groups	-	-	542,719	542,719
Policy Projects	-	-	12,565	12,565
	1,261,486	260,755	2,701,354	4,223,595
Restricted funds				
Wales office	-	-	33,048	33,048
Scotland office	16,980	22,640	73,580	113,200
Remember A Charity	1,047,559	-	-	1,047,559
Compliance directorate	-	245,377	-	245,377
Arts Council England	-	-	107,958	107,958
	1,064,539	268,017	214,586	1,547,142
Total income from charitable activities 2020	2,326,025	528,772	2,915,940	5,770,737

3 Income from charitable activities (continued)

	Create a better environment for fundraisers to raise money £	Increase understanding of fundraising £	Enable Fundraisers to be the best they can be £	2019 Total £
Unrestricted funds				
Individual membership	534,567	-	-	534,567
Organisational membership	697,047	-	-	697,047
National convention, conferences and events	-	-	1,293,165	1,293,165
Academy	-	-	754,546	754,546
Other professional development income	-	-	42,700	42,700
Regional and special interest groups	-	-	522,312	522,312
	<u>1,231,614</u>	<u>-</u>	<u>2,612,723</u>	<u>3,844,337</u>
Restricted funds				
Wales office	-	-	133,596	133,596
Scotland office	16,980	22,640	73,580	113,200
Remember A Charity	1,095,453	-	-	1,095,453
Compliance directorate	-	522,982	-	522,982
Heritage Lottery Fund	-	-	107,958	107,958
	<u>1,112,433</u>	<u>545,622</u>	<u>315,134</u>	<u>1,973,189</u>
Total income from charitable activities 2019	<u>2,344,047</u>	<u>545,622</u>	<u>2,927,857</u>	<u>5,817,526</u>

4 Expenditure on charitable activities

	Create a better environment for fundraisers to raise money £	Increase understanding of fundraising £	Enable Fundraisers to be the best they can be £	2020 Total £
Unrestricted funds				
Membership services	749,870	-	-	749,870
National convention	-	-	1,275,916	1,275,916
Academy	-	-	608,447	608,447
Policy projects	154,571	123,657	30,914	309,142
Other professional development costs	-	-	41,339	41,339
Regional and special interest groups	-	-	482,083	482,083
Compliance Directorate	-	198,837	-	198,837
Support costs (note 5)	171,513	94,168	356,887	622,568
	1,075,954	416,662	2,795,586	4,288,202
Restricted funds				
Wales office	-	-	116,673	116,673
Scotland office	17,432	23,242	75,538	116,212
Remember A Charity	979,998	-	-	979,998
Compliance Directorate	-	184,363	-	184,363
Arts Council England	-	-	64,466	64,466
Support costs (note 5)	112,359	60,646	45,942	218,947
	1,109,789	268,251	302,619	1,680,659
Total expenditure on charitable activities 2020	2,185,743	684,913	3,098,205	5,968,861

4 Expenditure on charitable activities (continued)

	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	2019 Total
	£	£	£	£
Unrestricted funds				
Membership services	656,145	-	-	656,145
National convention	-	-	1,181,970	1,181,970
Academy	-	-	534,868	534,868
Policy projects	150,410	120,328	30,082	300,820
Other professional development costs	-	-	17,862	17,862
Regional and special interest groups	-	-	437,738	437,738
Support costs (note 5)	146,575	80,476	304,997	532,048
	<u>953,130</u>	<u>200,804</u>	<u>2,507,517</u>	<u>3,661,451</u>
Restricted funds				
Wales office	-	-	102,677	102,677
Scotland office	19,091	25,454	82,728	127,273
Remember A Charity	966,142	-	-	966,142
Compliance directorate	-	385,464	-	385,464
Heritage Lottery Fund	-	-	12,317	12,317
The Tudor Trust	-	-	34,669	34,669
Support costs (note 5)	112,359	120,146	45,941	278,446
	<u>1,097,592</u>	<u>531,064</u>	<u>278,332</u>	<u>1,906,988</u>
Total expenditure on charitable activities 2019	<u>2,050,722</u>	<u>731,868</u>	<u>2,785,849</u>	<u>5,568,439</u>

5 Allocation of support and governance costs

		Unrestricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	2020 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	16,873	9,264	35,110	4,381	65,628
Operating lease rentals	Staff Time	32,212	17,686	67,027	8,363	125,288
Governance costs (note 6)	Staff Time	16,094	8,836	33,488	4,178	62,596
Miscellaneous	Staff Time	105,687	58,027	219,915	27,439	411,068
Irrecoverable VAT (note 8)	Staff Time	647	355	1,347	168	2,517
Total unrestricted 2020		171,513	94,168	356,887	44,529	667,097
		Restricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	2020 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	11,054	5,966	4,520	-	21,540
Operating lease rentals	Staff Time	21,102	11,390	8,628	-	41,120
Governance costs (note 6)		10,543	5,690	4,311	-	20,544
Miscellaneous	Staff Time	69,236	37,371	28,309	-	134,916
Irrecoverable VAT (note 8)	Staff Time	424	229	174	-	827
Total restricted 2020		112,359	60,646	45,942	-	218,947
Total allocated 2020		283,872	154,814	402,829	44,529	886,044

5 Allocation of support and governance costs (continued)

		Unrestricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	2019 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation		19,413	10,659	40,395	5,040	75,507
Operating leases: - buildings	Staff Time	26,171	14,368	54,457	6,795	101,791
- other	Staff Time	3,099	1,702	6,448	805	12,054
Governance costs (note 6)	Staff Time	7,012	3,850	14,590	1,820	27,272
Miscellaneous	Staff Time	90,880	49,897	189,107	23,594	353,478
Total unrestricted 2019		146,575	80,476	304,997	38,054	570,102
		Restricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	2019 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	14,881	15,913	6,085	-	36,879
Operating leases: - buildings	Staff Time	20,062	21,451	8,203	-	49,716
- other	Staff Time	2,376	2,540	971	-	5,887
Governance costs (note 6)	Staff Time	5,375	5,747	2,199	-	13,321
Miscellaneous	Staff Time	69,665	74,495	28,483	-	172,643
Total restricted 2019		112,359	120,146	45,941	-	278,446
Total allocated 2019		258,934	200,622	350,938	38,054	848,548

6 Governance Costs

	2020	2019
	£	£
Auditor's fees - statutory audit	16,727	16,315
- under provision from previous year	(480)	(1,484)
- other services	3,754	5,948
Trustees' meeting costs	2,874	9,754
Office and other costs	60,265	10,060
	83,140	40,593

7 Staff costs

	2020	2019
	£	£
Wages and salaries	2,134,221	1,979,078
Social security costs	213,639	199,749
Pension contributions	136,936	111,592
	2,484,796	2,290,419

During the year, employees earning in excess of £60,000 per annum fell into the following:

	2020	2019
	Number	Number
£90,000 - £99,999	1	1
£70,000 - £79,999	4	4
£60,000 - £69,999	3	2
	8	7

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis comprise the Chief Executive and an Executive Management Board, currently made up of the Director of People & Resources, Director of Partnerships & Innovation, Director of Membership, Compliance and Professional Development, Director of Engagement & Public Affairs, and Director of Development & Remember A Charity. Salary, employer's NI and employer's pension contributions of the key management personnel for the year totalled £536,486 (2019 - £522,577). Trustees' remuneration for the year was £nil (2019 - £nil).

7 Staff costs (continued)

The total paid to trustees for services rendered are as follows:

Name	Service provided	2020	2019
		£	£
Carol Akiwumi	Professional development	-	2,114
Carol Akiwumi	Project management expenses	-	3,579
		-	5,693

A total of £2,360 (2019 - £3,378) was reimbursed to 4 (2019 - 4) trustees in relation to out-of-pocket travel and subsistence costs incurred in connection with their duties as trustees of the charity.

The average number of employees analysed by function was:

	2020	2019
	Number	Number
Costs of raising funds	4	4
Create a better environment for fundraisers to raise money	15	15
Increase understanding of fundraising	14	14
Enable fundraisers to be the best they can	20	20
	53	53

8 Value Added Tax

The charity is partially exempt for VAT and cannot recover all the VAT it pays. Irrecoverable VAT in the year amounted to £228,108 (2019 - £195,334) and is included within its associated expenditure category. Irrecoverable VAT which cannot be allocated is included within support costs (note 5) which is £3,345 (2019 - £nil).

9 Intangible fixed assets

<i>All used for direct charitable purposes</i>	Computer software and website £	Total £
Cost		
At 1st April 2019	475,150	475,150
Additions	403,223	403,223
	878,373	878,373
Transfer to the Chartered Institute of Fundraising (note 17)	(878,373)	(878,373)
At 31st March 2020	-	-
Amortisation		
At 1st April 2019	394,624	394,624
Charge for year	63,669	63,669
	458,293	458,293
Transfer to the Chartered Institute of Fundraising (note 17)	(458,293)	(458,293)
At 31st March 2020	-	-
Net book value		
At 31st March 2020	-	-
At 31st March 2019	80,526	80,526

Included within intangible fixed assets are assets which relate to restricted funds. The net book value of assets held as restricted funds at 31st March 2020 was £14,121 (2019 - £57,047).

10 Tangible fixed assets

	Office equipment £	Furniture and fittings £	Total £
Cost			
At 1st April 2019	94,842	257,119	351,961
Additions	16,625	256	16,881
	111,467	257,375	368,842
Transfer to the Chartered Institute of Fundraising (note 17)	(111,467)	(257,375)	(368,842)
At 31st March 2020	-	-	-
Depreciation			
At 1st April 2019	57,212	247,710	304,922
Charge for year	15,233	8,265	23,498
	72,445	255,975	328,420
Transfer to the Chartered Institute of Fundraising (note 17)	(72,445)	(255,975)	(328,420)
At 31st March 2020	-	-	-
Net book value			
At 31st March 2020	-	-	-
At 31st March 2019	37,630	9,409	47,039

Included within tangible fixed assets are assets which relate to restricted funds. The net book value of assets held as restricted funds at 31st March 2020 was £Nil (2019 - £2,247).

11 Debtors

	2020	2019
	£	£
Trade Debtors - Unrestricted	420,209	395,651
Trade Debtors - Restricted	216,559	402,297
Accrued Income	71,646	50,015
Other Debtors	74,330	102,558
Prepayments	250,722	466,783
	1,033,466	1,417,304
Transfer to the Chartered Institute of Fundraising (note 17)	(1033,466)	
	-	1,417,304

Included within other debtors for 31 March 2020 is a balance of £48,996 which falls due after more than one year (2019 – £Nil).

12 Creditors - Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	112,741	178,639
VAT	23,029	16,635
Taxation and Social Security costs	61,257	55,351
Other Creditors	136,083	109,011
Accruals & Deferred income - Unrestricted	680,731	753,528
Accruals & Deferred income - Restricted	388,358	577,857
	1,402,199	1,691,021
Transfer to the Chartered Institute of Fundraising (note 17)	(1,402,199)	-
	-	1,691,021

13 Movement in funds

	At 1st April 2019 £	Income £	Expenditure £	Transfers gains and (losses) £	Transfer to Chartered Institute of Fundraising (note 17) £	At 31st March 2020 £
Unrestricted funds						
General funds	469,748	3,855,217	(4,072,057)	29,783	(282,691)	-
Designated funds						
- Regional and special interest groups	389,240	542,719	(482,083)	-	(449,876)	-
- Fixed assets (intangible and tangible)	68,272	-	-	378,109	(446,381)	-
Total designated funds	457,512	542,719	(482,083)	378,109	(896,257)	-
						-
Total unrestricted funds	927,260	4,397,936	(4,554,140)	407,892	(1,178,948)	-
Restricted funds						
Wales office	79,630	33,048	(126,524)	13,846	-	-
Remember A Charity	395,541	1,047,559	(1,089,998)	5,000	(358,102)	-
Tudor Trust	2,877	-	-	(2,877)	-	-
Compliance Directorate	361,087	245,377	(241,863)	(364,601)	-	-
Scotland office	-	113,200	(131,940)	18,740	-	-
Arts Council England	47,421	107,958	(90,334)	-	(65,045)	-
CRM Funding	-	78,000	-	(78,000)	-	-
Total restricted funds	886,556	1,625,142	(1,680,659)	(407,892)	(423,147)	-
Total funds 2020	1,813,816	6,023,078	(6,234,799)	-	(1,602,095)	-

13 Movement in funds (continued)

	At 1st April 2018 £	Income £	Expenditure £	Transfers gains and (losses) £	At 31st March 2019 £
Unrestricted funds					
General funds	376,202	3,506,170	(3,446,104)	33,480	469,748
Designated funds					
- Regional and special interest groups	304,666	522,312	(437,738)	-	389,240
- Fixed assets (intangible and tangible)	131,553	-	-	(63,281)	68,272
Total designated funds	436,219	522,312	(437,738)	(63,281)	457,512
Total unrestricted funds	812,421	4,028,482	(3,883,842)	(29,801)	927,260
Restricted funds					
Wales office	58,562	133,596	(112,528)	-	79,630
Remember A Charity	375,768	1,095,914	(1,076,141)	-	395,541
Tudor Trust	15,194	-	(12,317)	-	2,877
Compliance Directorate	340,569	522,982	(502,464)	-	361,087
Scotland office	-	113,200	(143,001)	29,801	-
Arts Council England	-	107,958	(60,537)	-	47,421
Total restricted funds	790,093	1,973,650	(1,906,988)	29,801	886,556
Total funds 2019	1,602,514	6,002,132	(5,790,830)	-	1,813,816

Designated Funds

Regional & Special Interest Groups

The funds relates to income and expenditure arising from our network of National, Regional & Special Interest Groups. These funds have been ring-fenced for application by the Regional & Special Interest groups as needed.

Fixed assets (tangible and intangible)

This fund reflects the carrying value of the charity's tangible and intangible fixed assets represented by unrestricted funds. The balance has been set aside on the understanding that these assets are fundamental to the day-to-day operations of the charity and therefore cannot be realised in order to meet working capital requirements.

13 Movement in funds (continued)

Restricted Funds

Remember A Charity

Remember A Charity is the Institute's long-term project to increase legacy giving to charity.

Tudor Trust

We secured funding during 2016/17 for a two-year programme of training, consultancy and support to BAME organisations "The Avocado Project", which was delivered in partnership with the IoF Black Fundraisers UK Special Interest Group.

Compliance Directorate

These funds represent the income and expenditure directly related to compliance activities formerly delivered by the PFRA, in line with the 2016 transfer agreement and including accreditation of fundraisers, site allocation, field monitoring and mystery shopping, training and guidance. It was agreed that this fund would remain restricted for a period of three years from the point of transfer in October 2016. The transfer from restricted funds to unrestricted general funds made during the year ended 31 March 2020 recognises that these funds may now be considered unrestricted under the terms of the original agreement.

Scotland Office

The Institute receives grants from the Scottish Government for the purpose of funding our activities in Scotland. This is also complemented through other earned income generation activities and subsidised through a contribution from IoF central unrestricted funds to cover the costs of activities in Scotland.

Arts Council England

In April 2018, the Institute was appointed as a National Portfolio Organisation by Arts Council England and commenced delivery of the RAISE programme to support fundraisers and fundraising organisations in the cultural sector. Working with the Institute's Cultural Sector Network, in partnership with Young Arts Fundraisers and other stakeholders, the four year programme aims to support excellent fundraising practices and shared learning throughout Arts, Culture and Heritage organisations across England.

CRM Funding

The fund represents grants and donations received specifically to help fund the development and implementation of a new Customer Relationship Management (CRM) system for the charity. The transfer from the restricted fund to unrestricted funds has been made to reflect the fact that the funds have been used to procure the CRM system in accordance with the terms on which the funding was received, but the CRM will be freely available to meet the needs of the charity going forward.

14 Analysis of net assets between funds

Immediately prior to the transfer to the Chartered Institute of Fundraising at 11:59pm on 31 March 2020, the fund balances were represented by the following assets and liabilities:

At 31st March 2020	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	446,381	14,121	460,502
Debtors	816,907	-	216,559	1,033,466
Cash in bank and at hand	479,625	449,876	580,825	1,510,326
Creditors: amounts falling due within one year	(1,013,841)	-	(388,358)	(1,402,199)
Total 2020	282,691	896,257	423,147	1,602,095

At 31st March 2019	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	68,271	59,294	127,565
Debtors	1,015,007	-	402,297	1,417,304
Cash in bank and at hand	567,905	389,241	1,002,822	1,959,968
Creditors: amounts falling due within one year	(1,113,164)	-	(577,857)	(1,691,021)
Total 2019	469,748	457,512	886,556	1,813,816

15 Operating lease commitments

	Property		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Within one year	85,027	70,856	33,700	16,723
Between two and five years	63,771	-	42,858	34,968
	148,798	70,856	76,558	51,691

16 Related Party Transactions

Other than the transactions disclosed within notes 7 and 17 to the financial statements, there are no further related party transactions to report (2019: none). Certain trustees may hold trusteeships or other senior posts within other organisations which are members of The Institute of Fundraising, or may be direct members of the Institute – all such memberships subscriptions are offered at the Institute’s standard subscription rates.

17 Transfer of activities, assets and liabilities

With effect from 11.59pm on 31 March 2020, in accordance with a deed of transfer, the activities, assets and liabilities of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising, a charitable company incorporated by Royal Charter (Charity Registrations Number: 1188764; Company Registration Number: RC000910).

The net assets at that date comprised:

	<u>£</u>	<u>£</u>
Intangible assets		
. Cost	878,373	
. Amortisation	<u>(458,293)</u>	
		420,080
Tangible fixed assets		
. Cost	368,842	
. Depreciation	<u>(328,420)</u>	
		40,422
Debtors		1,033,466
Cash at bank and in hand		1,510,326
Creditors: amounts falling due within one year		(1,402,199)
		<u>1,602,095</u>

The assets and liabilities were represented by the following funds:

	<u>£</u>
Unrestricted Funds	
. General Funds	282,691
. Designated Funds	896,257
Restricted Funds	423,147
	<u>1,602,095</u>

The Chartered Institute of Fundraising will continue to carry out the charitable aims and activities of the Institute of Fundraising. Claire Rowney, Carol Akiwumi, Sarah Bissell, Rohan Hewavisenti, Emma-Louise Singh, Isobel Michael, Kelvin Hopkins, Joyce Fraser, Liz Tait, and Sofia Zeenat Sheikh are trustees of both Institute of Fundraising and the Chartered Institute of Fundraising.

In due course, the Institute of Fundraising will arrange to have its registration with the Charity Commission and Companies House removed.

8. REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	Institute of Fundraising
Charity numbers SC038971	England and Wales 1079573, Scotland
Company number	03870883
Registered office	Charter House, 13-15 Carteret Street, London, SW1H 9DJ
Auditors	Buzzacott LLP 130 Wood Street, London EC2V 6DL
Bankers	National Westminster Bank PLC 358 South Lambeth Road, London, SW8 1UR
Solicitors	Bates, Wells & Braithwaite London LLP 10 Queen Street Place, London, EC4R 1BE
Senior Staff	Peter Lewis is the Chief Executive.
Directors and Trustees	The directors of the charitable company are its Trustees for the purpose of charity law and throughout the report are collectively referred to as "the Trustees".

The following have served as Trustees in the year and to the date of this report:

The following have served as Trustees in the year and to the date of this report:

Amanda Bringans	(Chair from July 2017 to July 2020)
Claire Rowney	(Vice Chair from July 2019)
Kath Abrahams	(Retired July 2019)
Carol Akiwumi	(From July 2015)
Danielle Atkinson	(Retired July 2019)
Sarah Bissell	(From July 2018)
Emily Drayson	(Retired July 2020)
Joyce Fraser	(From July 2019)
Rohan Hewavisenti appointed July 2019)	(Hon. Treasurer from July 2018; re-
Isobel Michael	(From July 2017)
Emma-Louise Singh	(From July 2018)
Liz Tait	(From July 2016)
Sofia Zeenat Sheikh	(From July 2019)
Dominic Will	(Retired April 2019)
Kelvin Hopkins	(From March 2020)

Details of each current trustee are available in the “about us” “Governance” section of the Institute’s website: www.institute-of-fundraising.org.uk.



www.institute-of-fundraising.org.uk

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[@ioftweets](https://twitter.com/ioftweets)

The IoF is a charity registered in England and Wales (No 1079573) and Scotland (No SC038971), and a company limited by guarantee (No 3870883).