



# **INSTITUTE OF FUNDRAISING**

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31ST MARCH 2017

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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## 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 6000 individual members and over 560 organisational charity members. Our members generate over £10bn in voluntary income for good causes every year.

We are proud of our impact and influence on charity fundraising, 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 and sector with vibrant IoF groups running events and networks in every nation and region, and our 22 Special Interest Groups bringing fundraisers together in every interest area from major donors, to individual giving, from the cultural sector to the technology. Each positive engagement the Institute has with a fundraiser means they are better able to have an impact for the cause or community they work or volunteer for.

In a challenging external environment over the last year, the IoF has continued to grow and expand our membership as well as the support we offer for the wider fundraising community. We have expanded our reach, services and support for fundraisers, as well as increasing understanding of fundraising, supporting a better environment for fundraisers to raise money.

We have been at the heart of a changing environment, successfully merging with the Public Fundraising Regulatory Association (PFRA), supporting the establishment of the new Fundraising Regulator (including transferring the Code of Fundraising Practice) and successfully leading the representation of the fundraising community, including, for example, influencing the design of the Fundraising Preference Service based on sound research.

The IoF is proud to be the professional membership body for the fundraising community, as we look to build on another successful year in the face of the continuing challenges that face us and the fundraising community.

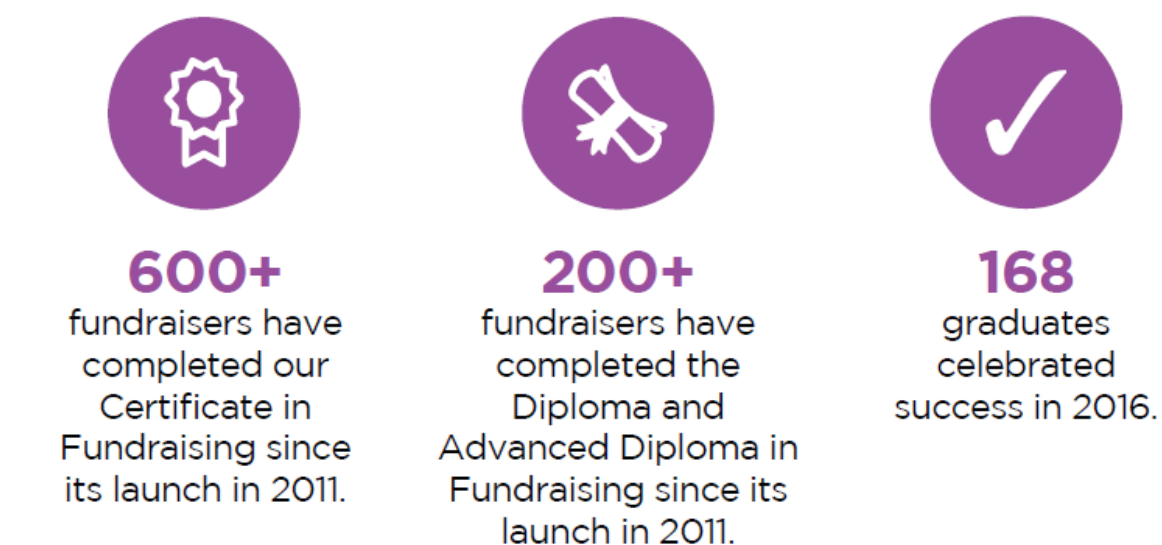
The Trustees are pleased to present their report, together with the financial statements of the charity for the year ending 31<sup>st</sup> March 2017.

## 2. IOF AT A GLANCE

### Membership



### Professional Development



## **3. ACHIEVEMENTS, PERFORMANCE AND IMPACT**

### **INTRODUCTION**

#### **Growth and expansion**

In a challenging external environment, the IoF has continued to grow and expand our membership as well as the support we offer for the wider fundraising community. A particular point for celebration, we welcomed our 6,000<sup>th</sup> member to the Institute, meaning that we now have more members than ever before. We have seen similar expansion in our organisational membership with 560 organisational members, predominantly charities, as well as 137 corporate members.

Our Annual Convention and National Fundraising Awards had another successful year. Of particular note was the move of Fundraising Convention to the world renowned Barbican Centre in the City of London. 2,418 fundraisers attended this showpiece educational event, a 5% increase on last year. Our Academy and wider events programmes also continued to grow their reach and strengthen our support for, and offer to, the wider fundraising community.

#### **At the heart of a changing environment**

The last year has seen the political, media and regulatory landscape continue to evolve, making our role more important than ever. The IoF fully supported and gave practical help to the successful establishment of the new Fundraising Regulator, including transferring the Code of Fundraising Practice and working to ensure fundraising experience and expertise were represented on the Fundraising Regulator's board. In particular, we welcomed the decision of the Regulator to appoint the IoF's independent Chair of the Standards Committee, Suzanne McCarthy, to chair the new Standards Committee of the Regulator, and the inclusion of experienced fundraisers and IoF members David Cunningham and Lucy Caldicott as Board members. In Scotland, the IoF Scotland has similarly played a full role in the review of fundraising regulation, established the Scottish Standards Advisory Board, and we have been working closely with the new Independent Panel, OSCR and the Scottish Government to support and help develop the regulatory environment.

We also supported several of our organisational members in relation to the investigations by the Information Commissioners Office into charity fundraising practice and data processing.

To complement this new regulatory environment, we have adapted our work and internal structures to ensure that the IoF is fit for purpose in the new regulatory context. A new IoF Standards Advisory Board was established to guide and support how we engage and shape regulation

and contribute towards high standards within fundraising. The role of the Policy Advisory Board has been widened to cover our wider public affairs activities, and steer how we campaign and engage in public policy discussions on the issues that impact on charity fundraising. Alongside these changes, we have stepped up our media and public affairs work to engage more proactively with the media and political debates shaping how charity fundraisers are viewed, and to create a more supportive environment to help charities to raise the funds they need.

## **Merger**

One of the most significant moments in the year came as the Institute successfully merged with the Public Fundraising Association (PFRA) to form a single professional membership body for the fundraising community. There was overwhelming support in both organisations for the merger and the work of the PFRA is now integrated with the IoF, with the former PFRA staff now forming the core of the IoF's Compliance Directorate. This has provided the basis for the expansion of work in this area supporting and driving higher standards in public fundraising, including the establishment of a new Private Site compliance service, progress on the new 'Certification System' for organisations undertaking public fundraising and continuing progress with the negotiation of Site Management Agreements with local authorities.

## **Performance against plans**

For 2016/17, under our strategy, we had set ourselves the objectives of supporting our members and the wider fundraising community by:

- Creating a better environment for fundraisers to raise money
- Increasing the understanding of fundraising; and
- Enabling fundraisers to be the best they can be.

Progress against those strategic objectives and aims outlined last year are outlined below

### **3.1 CREATING A BETTER ENVIRONMENT FOR FUNDRAISERS TO RAISE MONEY**

In 2016/ 17 we set ourselves the objective to continue to grow our membership. Key to this work was developing our support and offer for individual members to reflect the changing external context and the merger with the PFRA. Specifically, we wanted to develop a compliance and advice service and strengthen our engagement and influence in the new regulatory environment. Running alongside this, we wanted to do even more to invest in our membership communities, and improve their data management.

During the year, we achieved the following:

**i) Grew our membership and invested in our offer for them**

- Individual membership grew to a record 6,000+ members, making the IoF the largest individual representative body in the voluntary sector.
- We took steps to continue this growth by rejuvenating our proposition and offer, and ensuring our members were fully engaged in, and briefed on, all essential developments in fundraising regulation.

**ii) Developed and expanded our compliance work following the merger**

- We have expanded the IoF Compliance mystery shopping programme to include private site fundraising. Compliance staff now regularly attend member training sessions to ensure they are meeting high levels of Code compliance.
- We have worked with and represented our members with politicians, policy makers and regulators through regular meetings, and robust and supportive engagement in consultations and regulatory issues to ensure the voice of our membership is heard.

**iii) Engagement and influence within the regulatory system and public policy making to promote excellent fundraising**

- We successfully transferred the Code of Fundraising Practice to the new Fundraising Regulator
- We established a new IoF Standards Advisory Board and Scottish Standards Advisory Board to develop our work on consistent, fair and high standards within the sector.
- We consulted on, commissioned evidence and submitted responses to consultations to help shape the Fundraising Preference Service to work better for donors, the public and charities.
- We engaged civil servants, Ministers and MPs on changes to the Gift Aid Small Donations Scheme to help maximise the amount smaller charities could benefit from under the scheme.
- We supported members in relation to discussions with the ICO, engaged in discussions with the ICO for greater clarity in relation to their guidance and produced our own detailed guidance in relation to preparing for the new General Data Protection Regulation (GDPR).

**iv) Improving data management**

- We did not progress as far as we would have liked in supporting our group data management and systems and we were unable to deliver this fully within 2016/17. The Board of Trustees has committed a more significant investment to CRM and IT development in 2017/18 to achieve this.



## **3.2 INCREASING UNDERSTANDING OF FUNDRAISING**

To increase the understanding of fundraising last year we aimed to develop our new compliance service following the merger with the PFRA, and to develop the 'voice' and influence of the IoF through stronger and more proactive standards, media and political engagement work.

During the year, we achieved the following:

**i) Full and comprehensive programme of work on standards, regulation and guidance**

- We established a new IoF Standards Advisory Board and Scottish Standards Advisory Board to develop our work on consistent, fair and high standards within the sector.
- We produced a series of guidance and resources to support fundraisers including guidance on successful partnerships with agencies, and updated our guidance on working with people in vulnerable circumstances.
- We identified that we had good reach with fundraisers, but to have a sustainable impact we needed also to influence trustees. Charity Commission research also identified this as a gap in knowledge. To complement the Charity Commission's CC20 guidance we produced a guide on fundraising specifically for trustees which has been downloaded over 9,700 times already, has had three print runs and remains popular with our members and other stakeholders as well as trustees who had not previously been involved with the Institute's work.
- Kept our members and wider fundraising community updated on changing data protection rules (including the GDPR) through a series of online blogs, seminars and updates.
- We produced research on fundraising and trustee relations/skills, crowdfunding, and insights on fundraising communication channels/activities.

**ii) Media and political engagement to place the IoF and fundraisers at the heart of the debate about the sector, and develop a positive profile for our work and members with key decision makers and the public.**

- We positioned IoF at the centre of the sector's response to fundraising issues and as the key voice of the sector, including in relation to the anniversary of the tragic death of Olive Cooke and proactive media work surrounding the ICO reports on charities and data protection.

- We have strengthened relationships with key media publications and reporters, including gaining proactive coverage in the Guardian Voluntary Sector Network.
- IoF was a leading member of the #CharityToday initiative and report resulting in charity themes discussed across 24 radio stations with a reach of 3.5 million, and the #CharityToday hashtag trending as the highest topic on twitter, used over 6,000 times reaching nearly 1.5 million people (according to keyhole.io)
- We engaged with a number of MPs by running a successful parliamentary meetings programme leading to a number of supportive 'champions' for charity fundraising being identified.
- Held a successful parliamentary reception including addresses to the sector from the Minister for Civil Society, Shadow Minister for Civil Society and Co-Chair of the APPG on Charities with 14 other key parliamentarians in attendance.
- We have shared our knowledge at a number of international conferences in the United States, Canada and Europe.

**iii) Strengthened our IoF Compliance work following the successful merger with the PFRA including:**

- We developed and consulted on a certification system for public fundraising organisations.
- We made significant progress towards an online 'telephone call levelling tool' allowing member charities to train their own staff to more effectively manage and monitor their own telephone fundraising operations.
- We continued our work with councils on Site Management Agreements for face to face Direct Debit street fundraising and with the government in relation to National Exemption Orders.

### **3.3 ENABLING FUNDRAISERS TO BE THE BEST THEY CAN BE**

We set ourselves ambitious targets in relation to how the IoF could do even more to support fundraisers to be the best they can be. These included aiming to successfully move Fundraising Convention to the Barbican and the National Fundraising Awards to a new venue at the Troxy. Beyond Convention, we planned to deliver 12 one-day conferences and a series of low-cost time-relevant events for our members. The IoF's Academy Team aimed to deliver over 60 short courses, and up to 12 blended qualifications programmes, two online certificates and two online diplomas. The final aspiration to enhance support for members in this year was to deliver 2 cohorts of the Future Leaders' Programme, and planning to review the Introductory Certificate in Fundraising.

During the year we:

**i) Delivered a comprehensive programme of conferences, events and training**

- Fundraising Convention was successfully moved to the Barbican, with record attendee numbers. 2,418 individuals attended representing a 5% increase on 2015's sell out position at the Hilton London Metropole.
- The Fundraising Awards successfully took place at Troxy. Attendance at this year's event was lower than 2015, with a decision subsequently taken to move the event back to the same time as Convention for 2017.
- 1,903 people attended 13 one day conferences run by our central team throughout the year, and 557 people attended 6 smaller low cost events for members.
- We ran 76 Short Professional courses (against a target of 60), attended by 920 delegates. When asked, over 90% of respondents felt very confident /confident in applying their learning from the short professional courses, and over 80% said they expect to often/very often apply their learning.
- We delivered 12 blended qualifications courses including an IoF-IDPE Certificate and an International Advanced Diploma in Fundraising, attended by nearly 150 students.
- We delivered 2 Fundraising Certificate Online and 2 Diploma Online courses (70 students in total) evaluation scores and student retention was significantly higher, reflecting a stronger and more supportive programme.
- 85% Certificate students stated that the qualification assisted them in their professional development and career job prospects and imparted practical knowledge and skills for fundraising professionals. 77% Diploma students stated the qualification assisted them in their professional development and career job prospects with 78% saying they agreed or completely agreed the qualification imparted practical knowledge and skills for fundraising professionals. Students on the qualifications courses on average rated their tutors at 4.3 out of 5.
- We delivered 2 Fundraising Leadership programmes, and an inaugural alumni event with 22 participants. Every single participant in the Future Leaders Programme said that the content on each of the six days of the programme was relevant to them and their development
- We have produced a new one-day 'Introduction to Fundraising' course to replace the Introductory Certificate in Fundraising. A pilot

ran successfully in Scotland in March 2017 and 8 further pilots took place April-June 2017.

**ii) Expanded the work of our national offices and groups**

- In Scotland our annual Scottish Fundraising Conference attracted record numbers in October 2016 with over 350 delegates attending the two-day event and awards. During the year we also delivered a variety of one day training seminars, qualification courses and provided networking support for fundraisers through a range of volunteer-led special interest groups.
- As well as regular events and networking opportunities delivered by our volunteer committee in Northern Ireland our annual conference in Belfast last year attracted 100 delegates and provided an important route for us to engage with the wider fundraising community about fundraising regulatory issues in Northern Ireland.
- We have delivered third and final year of the Building Fundraising Capacity & Financial Resilience with the Welsh Voluntary Sector Programme funded by the Big Lottery Fund Wales. The project has been successful in improving the awareness of up to date ethical fundraising methods for Welsh charities. We ran 44 seminars and network sessions last year which provided opportunities for sharing good practice. The satisfaction ratings for project related activities were high with 90% of 1,100 attendees in the final year and 2,842 over three years stating improved fundraising knowledge due to participating in the project support activities. We have also set up three Regional Fundraising Groups in North, West and South Wales which are now functioning well with meetings every 2 months to exchange ideas on good fundraising practice.

iii) IoF groups have continued to grow in number and reach over the last year. Our 3 National Groups, 9 Regional Groups, and 22 Special Interest Groups have been bringing fundraisers together in every part of the UK and across every area of interest, from major donors, to individual giving, from the cultural sector to technology, and everything in between. Our groups delivered conferences, training and networking opportunities to members and the wider fundraising community, helping champion good practice and provide support to fundraisers wherever they're based.

iv) Extended our Giving to Heritage Programme to reach more charities

- In June 2016 the Giving to Heritage programme, a Heritage Lottery funded joint venture between The Heritage Alliance and The Institute of Fundraising was extended until Summer 2017. As part of the extension the Institute of Fundraising commissioned the development of three new one-day workshops as well as four

Masterclass versions of existing workshops designed to appeal to more experienced fundraisers as well as to upskill delegates who had already attended the original workshop.

- Since the extension started in June 2016 we ran 24 workshops in the 2016/17 financial year from the core programme with 254 delegates participating. Since then we have run four more with an extra 50 delegates attending. Four more are scheduled before the end of the programme in summer 2017 with an additional 46 delegates already signed up.
- Additional to the core programme we also commissioned and delivered two bespoke workshop programmes which have been delivered to 39 delegates. The first was a bespoke one-day workshop entitled "An Introduction to Fundraising; Targets & Techniques" for 14 senior representatives from World Heritage UK. The second was a series of three one-day bespoke workshops for members of the Boston Heritage Forum – a local Government lead consortia of local heritage organisations and projects in the Boston area. The first two have been delivered to an audience of 25 delegates and the final one is scheduled for June 2017.
- We have facilitated 33 consultancy and support sessions including 5 in-depth consultancies at the North West Funding Fair in September 2016.
- The Giving to Heritage Executive Coaching programme - where a bespoke programme of fundraising training for senior managers and trustees from a participating organisation is developed and delivered over the course of multiple months - has successfully undertaken seven programmes during the extension period with organisations including Manx National Heritage, the Society of Architectural Historians of Great Britain, North of England Civic Trust and the Institute of Conservation.

**v) Worked with our regional and special interest groups to deliver funded projects of work**

- In 2016, we have delivered third and final year of Strengthening the Sector Mentoring Programme funded by The City Bridge Trust. We have matched 43 pairs of mentors and mentees last year and 121 pairs cumulatively over three years. The level of satisfaction among those participating was high, and participants have indicated an increased fundraising capacity as a direct result of this programme.
- We have successfully delivered the first six months of a two year Strengthening BME Community Organisations programme funded by the Tudor Trust. 12 voluntary groups are taking part in this programme with a total number of 62 course participants. So far we

have delivered three fundraising sessions which have been largely interactive and provided good opportunity for the consultants to work with their organisations, and for organisations to work with each other.

### **3.4 REMEMBER A CHARITY**

Remember A Charity is the Institute's long-term campaign to make gifts in wills the social norm.

Last year saw the highest number of charitable estates ever recorded. 37,261 estates went to probate in 2015 in England, Scotland & Wales. Up from 34,980 in 2014.

New Government departments backed our campaign. The Ministry of Justice announced their support for Remember A Charity Week for the first time, joining the DCMS, HM Treasury and Scottish Government.

More people than ever searched for local charitably-minded solicitors on our website in 2016. There has been a 67% increase in organic traffic in the past two years. Remember A Charity Week also helped generate the highest number of charity searches on our site.

More professional advisors than ever before committed to mentioning charity. We now have a growing network of 1,100 solicitors and professional Will-writers who commit to always mentioning charity to clients.

The consortium has seen a significant growth in membership as a result of more charities showing a commitment to legacy fundraising.

Remember A Charity is at its highest membership figure, working with the most diverse range of causes yet, including the arts, hospices and education. Almost half (49%) of members are smaller charities.

Our Remember A Charity Week 2016 #mywisdom campaign also reached new audiences, with adverts on the London Underground and the UK's busiest stations and national service stations. A wide range of new commercial organisations also joined our campaign for the first time, including Leeds, Newcastle, Cambridge and Dudley Building Societies.

A two-year study conducted by the Behavioural Insights Team and the University of Bristol also found a 40% increase in legacy giving from first-time Will-writers when solicitors normalise gifts in Wills. The research was launched at the Law Society and the Law Society of Scotland.

## **4. FUTURE PLANS**

### **4.1 THE STRATEGIC FRAMEWORK 2017-2021**

Throughout this year of changes, challenges and successes has been a specific focus on delivering Excellent Fundraising for a Better World, not just now, but in the years to come. Following the widest consultation with IoF members, staff, and stakeholders from the fundraising community and wider charity sector we launched a new 'Strategic Framework 2017 – 2021'. This is the guiding document setting forward the objectives, priorities and focus of the IoF over the next 4 years ensuring we continue to expand, grow and support our members, and the wider community, to achieve excellent fundraising.

In order to deliver excellent fundraising we have set ourselves the following strategic objectives:

#### **1 We will represent and serve the fundraising community**

We will do this by:

- Raising the understanding of fundraising and its impact amongst supporters and donors, decision makers, the media, funders and the general public
- Representing and presenting the voices of fundraisers and fundraising organisations to government, policymakers and the media
- Growing our reach into the fundraising community, ensuring we support and develop excellent fundraising in all types and sizes of organisation

#### **2 We will achieve higher levels of excellent fundraising across the UK**

We will do this by:

- Ensuring our members' insight and knowledge of donor and supporter experiences contribute to the development of fundraising standards which raise public trust in fundraising
- Supporting our members to deliver truly excellent fundraising which inspires people and organisations to give and makes donors feel good about giving
- Offering sector-leading training, qualifications, conferences and networking opportunities for fundraisers at all stages of their careers

#### **3 We will champion fundraising and the fundraising profession**

We will do this by:

- Championing and sharing excellent and innovative fundraising, and fundraising thought leadership, across our membership and to the wider fundraising community
- Developing fundraising as a respected profession that attracts and retains talent from diverse backgrounds
- Working to become the Chartered Institute of Fundraising in the UK

The strategy is available at [www.institute-of-fundraising.org.uk/library/iof-strategic-framework-2017-2021/](http://www.institute-of-fundraising.org.uk/library/iof-strategic-framework-2017-2021/)

## **4.2 PRIORITIES FOR 2017-18**

The priorities in the coming year reflect the objectives set out in the Strategic Framework above.

In addition, as this is the first year of the new strategy, we have an additional aim

### **We will work to be the best that we can be**

2017-18 is a transition period towards alignment with the new strategy and building platforms for future development and growth. As part of this transition, key themes have emerged for the year within the strategic objectives.

#### **Embedding excellence**

Building on the merger with the PFRA and the changes over the past year in fundraising regulation, there is more work to do both to develop our work and focus on excellence and to develop further our compliance service.

We view compliance, policy, standards and guidance as part of a continuum stretching between minimum standards and excellence, and will work to ensure that the models and messages feed through to all our work, including communications, events and training.

The Compliance Directorate itself is transitioning to a wider role within the Institute, and beginning its work to provide a service relevant to all of our members. In this first year of the strategy, however, the clear priority is to establish effective compliance and training services for both private site and telephone fundraising.

Alongside this a more robust certification of public fundraising organisations and charities' training and compliance functions is essential to underpin a new baseline of performance for the sector. We will adapt and enhance the PFRA's accreditation process with a progressive and more in-depth approach to monitoring and assessment with a risk based prioritisation. This does not remove our members' obligation to undertake



proper due diligence as to who they work with, nor their obligations to manage their partnerships effectively, but it will provide a basic assurance that a certain level of policies and processes are in place.

We will develop compliance-focused training modules, such as managing third parties, as well as a wider suite of on/off line courses, workshops and seminars, designed to provide a clear pathway for building the necessary skills to deliver excellent fundraising across the sector.

### **Developing content**

In the last couple of years, much IoF activity has been driven by external factors and events. We hope that as the fundraising community has moved quickly to adapt to new public expectations and a new regulatory environment that we will be able to be more proactive with our content and activities moving forward.

Investment was made in 2016/17 to develop a new Content Strategy for the IoF which has led to greater focus on new resources available to our members (examples include our new resources on trustees and fundraising, working with people in vulnerable circumstances and working with agencies). A new Content Manager will be recruited to lead the IoF content development programme for 2017-18. The aims of this programme are to:

- Provide more support for fundraisers / fundraising organisations, making guidance more accessible and relevant (particularly to smaller charities and community groups);
- Add value to IoF membership and provide more membership engagement opportunities; and
- Increase the visibility of IoF's knowledge and guidance;
- Raise the IoF's profile as the industry body that champions fundraising and promotes excellence with appropriate resources to match that profile.

### **Innovation**

With a continued challenge to established individual giving channels, charities are either investing in, or wanting to invest in, innovation to help them find new fundraising channels, as well as evolve, remain relevant and better link donors and beneficiaries.

As part of our new strategy to champion excellent and innovative fundraising we will use our communication channels and engagement activity to share inspiring insight, case studies, new ways of working and emerging technologies to help our members deliver excellence and achieve their mission. We will also embed innovation within our conferences and training programmes.

## **Organisational development**

To deliver the ambitions of the new strategy, internal investment is needed to align activities, systems and processes. This includes investment in ICT and CRM systems, new product and service development and support for skills development and new ways of working.

## **5. REVIEW OF FINANCIAL POSITION**

### **5.1 INTRODUCTION**

Our financial statements follow Financial Reporting Standard (FRS) 102 and Charities SORP 2015. In total the Institute had income of £5.4m million (against £4.9 million in 2015/16). This excludes £408,033 from the transfer of funds and assets from the PFRA. Expenditure totalled £5.3 million (against £4.6 million in 2015/16), resulting in a total surplus before the transfer of £37,642 (against £332,161 in 2015/16).

Our free reserves level increased by £10,884 in the year. In the long term, the Institute hopes to maintain reserves at a healthy level, and make investments in its growth as necessary to ensure the best use of resources and to increase the reach and impact of its work. Investment will be made in 2017/18 towards CRM and IT development, amongst other areas, to support our development and growth of member services.

The main areas of restricted fund activity are the Remember A Charity campaign, the Scottish Office (partly funded by a Scottish Government grant), the Welsh Office (partly funded by a Big Lottery Fund Wales grant, Compliance (including funds transferred from the former PFRA). The Institute also received income from its Giving to Heritage programme (in partnership with the Heritage Alliance and funded by the Heritage Lottery Fund), a mentoring programme with the London Region (funded by the City Bridge Trust) and a programme working to support BAME groups with Black Fundraisers UK (funded by the Tudor Trust). Our main designated funds are for activities delivered by our Membership Community groups.

Note 13 to the accounts provides further details.

### **5.2 RESERVES POLICY**

The nature of the Institute's activities leads to the majority of income being received in advance, notably from membership and events. This not only provides high levels of working capital but also allows us to adapt future plans based on income secured to manage risks. At the end of March 2017, income received in advance reported in the creditor balance totalled over £1.6m (2016: £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 charity is exposed in plans for 2017/18, the Board of Trustees consider that in order to meet these needs, and to operate as effectively as possible under the strategy, the Institute should hold free reserves in the range of £240,000 to £340,000.

As at 31<sup>st</sup> March 2017 our free reserves amount to £379,574 as part of overall unrestricted funds of £870,034. During 2017/18, investment will be made in CRM and IT system development which will see the free reserves levels returning to within the target range.

### **5.3 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. All of the Institute's excess cash funds are held on varied term deposits, at the best rates available, in order to minimise investment risk.

### **5.4 FUNDRAISING PRACTICES STATEMENT**

The Institute of Fundraising does not undertake public fundraising activity nor employ any staff with a specific remit for public fundraising.

However, 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 of our Directors have a role in diversifying the Institute's income, with specific responsibility allocated to our Director of Development and Remember A Charity. Our Head of Development has oversight of all grant applications and has a remit to diversify the Institute's income. She has a written job description, annual appraisal and regular reviews. We do not recruit volunteer fundraisers. We do not have any subsidiary trading companies. We do not employ commercial third parties to undertake fundraising on our behalf.

Our 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.

We have agreed governance procedures in place that 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 which says they will not 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 us and our members. Our complaints procedure is published on our website.

Financial oversight of income generation and expenditure is provided by our Finance & Resources Committee which reports back to every Board meeting. Risks are managed through our 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. There were no such incidents.

We file reports in accordance with the regulations set out by Companies House, the Charity Commission and OSCR.

## **5.5 RISK ASSESSMENT**

The Trustees have introduced a continuous process of risk assessment that examines key areas of risk at Trustee meetings. The Chief Executive is tasked with reporting back 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 those risks.

The Trustees have identified the following key areas of risk in 2017/18:

- 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 Institute's members, and the Institute. In order to mitigate the risk, we will invest further in our compliance functions to support members to meet their obligation to adhere to the Code of Fundraising Practice. We will focus on promoting excellent and innovative fundraising and continue to invest staff time and resources to manage our 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 Institute. We will continue to support the new regulatory system, support our members to deliver excellent fundraising, and represent

our members to the government, regulators and the media. Our policy work will ensure a professional fundraising voice is heard in government, the media and with other key stakeholders, and we will develop key partnerships with other partner organisations to present strong and unified responses.

## **6. 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 directors.

The merger with the PFRA was a transfer of assets and undertakings to the Institute of Fundraising on 1<sup>st</sup> September 2016 and did not require amendments to this Memorandum and Articles of Association.

### **6.1 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.

It was announced at the Annual General Meeting on Tuesday 5th July 2016, that Kath Abrahams and Dominic Will were duly elected unopposed.

In April 2016, Helen Elliott stepped down as a trustee for 3 months to allow for a senior member of the public fundraising community to join the Board in advance of the merger with the PFRA. Dominic Will was then co-opted to the Board. Following her resignation as a Trustee in April 2016, Helen Elliott remained as the Honorary Treasurer and sat as a Board observer until she was co-opted back onto the Board in July 2016 when Dominic Will was elected.

### **6.2 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 also involves the organisation's Executive Management Board.

### **6.3 ORGANISATION**

The Board convenes every quarter for a meeting that examines performance, finance, strategy and risk. Clearly laid out responsibilities are defined for the Trustee body. Delegated powers are given to the Finance and Resources Committee to look at finance, HR, IT, investment and property matters. This 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 Committee

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.

The Board delegates day to day management to the Chief Executive, Peter Lewis. The Chief Executive leads an Executive Management Board made up of the Director of People & Resources, Director of Partnerships & Innovation, Director of Compliance, Director of Engagement & Public Affairs, and Director of Development & Remember A Charity.

### **6.4 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 & Resources Committee, sets the salaries of all other staff, using benchmarking and other data to review pay levels.

### **6.5 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 670 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.

## **6.6 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.

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.

## **6.7 TRUSTEES' RESPONSIBILITIES**

Company law requires that the Board of Trustees prepares financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that year. In preparing these financial statements, the Board of Trustees has:

- Selected suitable accounting policies and applied them consistently
- Observed the methods and principles in the Charities SORP
- Made judgments and estimates that are reasonable and prudent
- Followed applicable accounting standards and statements of recommended practice without any material departures
- Prepared the financial statements on the going concern basis.

The Board of Trustees is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **6.8 DISCLOSURE OF INFORMATION TO AUDITORS**

The Trustees have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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 21 June 2017 and signed on their behalf by

.....  
Richard Taylor, Chair

## **7. INDEPENDENT AUDITOR'S REPORT**

### **To the Members of the Institute of Fundraising**

We have audited the financial statements of the Institute of Fundraising for the year ended 31st March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102.

### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 21 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2017 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Opinion on the other matter prescribed by the Companies Act 2006**

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

- A. the information given in the Annual Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- B. the Annual Report of the Trustees 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees.

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

- the charity has not kept proper and adequate accounting records 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 exemption in preparing the Annual Report of the Trustees.

Nicola Wakefield (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date

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

## 8. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 8.1 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
<b>INCOME AND EXPENDITURE</b>							
<b>INCOME</b>							
<b><u>Voluntary Income</u></b>							
Donations, Legacies including Gift in Kind		17,511	40,207	57,718	-	-	-
<b><u>Other trading activities</u></b>	<b>2</b>	172,849	-	172,849	209,621	-	209,621
<b><u>Investment income</u></b>		-	-	-	970	-	970
<b><u>Charitable activities</u></b>	<b>3</b>						
Create a better environment for fundraisers to raise money		1,120,290	1,011,041	2,131,331	992,497	996,465	1,988,962
Increase understanding of fundraising		-	275,517	275,517	87,686	-	87,686
Enable fundraisers to be the best they can		2,420,928	280,057	2,700,985	2,325,026	311,792	2,636,818
<b><u>Other income</u></b>		37,557	-	37,557	5,098	-	5,098
<b><u>TOTAL INCOME</u></b>		<b>3,769,135</b>	<b>1,606,822</b>	<b>5,375,957</b>	<b>3,620,898</b>	<b>1,308,257</b>	<b>4,929,155</b>
<b>EXPENDITURE</b>							
<b><u>Raising funds</u></b>	<b>2</b>	198,594	-	198,594	197,863	-	197,863
<b><u>Charitable activities</u></b>	<b>4</b>						
Create a better environment for fundraisers to raise money		952,612	948,865	1,901,477	736,889	928,185	1,665,074
Increase understanding of fundraising		268,386	345,691	614,077	207,381	-	207,381
Enable fundraisers to be the best they can		2,345,039	279,128	2,624,167	2,211,136	315,540	2,526,676
<b><u>TOTAL EXPENDITURE</u></b>		<b>3,764,631</b>	<b>1,573,684</b>	<b>5,338,315</b>	<b>3,353,269</b>	<b>1,243,725</b>	<b>4,596,994</b>
<b><u>Net operating result</u></b>		<b>4,504</b>	<b>33,138</b>	<b>37,642</b>	<b>267,629</b>	<b>64,532</b>	<b>332,161</b>
Acquisition of funds arising from transfer from PFRA	<b>16</b>	-	408,033	408,033	-	-	-
<b><u>NET INCOME</u></b>		<b>4,504</b>	<b>441,171</b>	<b>445,675</b>	<b>267,629</b>	<b>64,532</b>	<b>332,161</b>
<b><u>TRANSFERS BETWEEN FUNDS</u></b>	<b>13</b>	<b>(10,426)</b>	10,426	-	-	-	-
<b><u>NET MOVEMENT IN FUNDS</u></b>		<b>(5,922)</b>	<b>451,597</b>	<b>445,675</b>	<b>267,629</b>	<b>64,532</b>	<b>332,161</b>
<b>RECONCILIATION OF FUNDS:</b>							
<b><u>Funds brought forward at 1st April 2016</u></b>	<b>13</b>	<b>875,956</b>	<b>207,653</b>	<b>1,083,609</b>	<b>608,327</b>	<b>143,121</b>	<b>751,448</b>
<b><u>Funds carried forward at 31st March 2017</u></b>	<b>13,14</b>	<b>870,034</b>	<b>659,250</b>	<b>1,529,284</b>	<b>875,956</b>	<b>207,653</b>	<b>1,083,609</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure are derived from continuing activities.

## 8.2 BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

		2017		2016	
		£	£	£	£
	Notes				
<b>Fixed assets</b>					
Intangible assets	9	203,622		149,290	
Tangible assets	10	<u>127,341</u>		<u>104,571</u>	
			330,963		253,861
<b>Current assets</b>					
Debtors and prepayments	11	1,519,309		1,147,870	
Cash at bank and in hand		<u>1,663,450</u>		<u>1,282,176</u>	
		3,182,759		2,430,046	
<b>Creditors : Amounts falling due within one year</b>					
	12	<u>1,984,438</u>		<u>1,600,298</u>	
<b>Net current assets</b>			1,198,321		829,748
<b>Total net assets</b>			<u>1,529,284</u>		<u>1,083,609</u>
<b>The funds of the charity</b>					
Unrestricted funds	13				
General funds			379,574		368,690
Designated funds			490,460		507,266
Restricted funds	13		659,250		207,653
			<u>1,529,284</u>		<u>1,083,609</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 28 to 41 form part of these accounts. The financial statements were approved by the Trustees on 21 June 2017 and signed on their behalf by

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**Richard Taylor**, Chair

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**Helen Elliott**, Honorary Treasurer

## 8.3 STATEMENT OF CASH FLOWS YEAR TO 31<sup>ST</sup> MARCH 2017

	Notes	2017 £	2016 £
<b>Cash flow from operating activities</b>			
Net cash provided by operating activities	A	<u>206,154</u>	<u>376,317</u>
<b>Cash flows from investing activities</b>			
Investment income		-	970
Purchase of fixed assets		(134,045)	(162,912)
Cash received from transfer (see note 16)		309,165	-
<b>Net cash provided by investing activities</b>		<u>175,120</u>	<u>(161,942)</u>
<b>Change in cash and cash equivalents in the year</b>		381,274	214,375
<b>Cash and cash equivalents at 1st April 2016</b>		1,282,176	1,067,801
<b>Cash and cash equivalents at 31st March 2017</b>	B	<u>1,663,450</u>	<u>1,282,176</u>

### Notes to the cash flow statement for the year to 31 March 2017

#### A - Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
<b>Net movement in funds</b>	445,675	332,161
<b>Adjustments for:</b>		
Acquisition of funds arising from transfer (see note 16)	(408,033)	-
Depreciation and amortisation charge	144,978	107,041
Investment income	-	(970)
Increase in debtors	(247,108)	(30,428)
Increase/(decrease) in creditors	270,642	(31,487)
<b>Net cash provided by operating activities</b>	<u>206,154</u>	<u>376,317</u>

#### B - Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,663,450	1,282,176
<b>Total cash and cash equivalents</b>	<u>1,663,450</u>	<u>1,282,176</u>

## **8.4 NOTES TO THE FINANCIAL STATEMENTS**

### **1. Accounting policies**

#### **a) 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.

#### **b) Public benefit entity**

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

#### **c) Going concern**

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **d) 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.

**e) 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.

**f) 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.

**g) 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 fund.

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

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

**h) 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.



**i) 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 are an estimate, based on staff time, of the amount attributable to each activity.

- Create a better environment for fundraisers to raise money (37%)
- Increase understanding of fundraising (24%)
- Enable fundraisers to be the best they can be (32%)
- Cost of raising funds (7%)

**j) Operating leases**

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

**k) 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 four years.

**l) 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

**m) 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.

**n) 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.

**o) 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.

**p) 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.

## 2 Income and expenditure on raising funds

<b>Income from trading activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Corporate Support	130,761	139,631
Corporate Sponsorship	42,088	69,990
	<b>172,849</b>	<b>209,621</b>

<b>Expenditure on Raising Funds</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Staff Costs	117,820	96,092
Web Development	22,718	15,724
Corporate Sponsorship	6,663	5,073
Other Costs	568	-
Support Costs (note 5)	50,825	80,974
	<b>198,594</b>	<b>197,863</b>

### 3 Income from charitable activities

	<b>2017</b> <b>Create a better</b> <b>environment for</b> <b>fundraisers to</b> <b>raise money</b> <b>£</b>	<b>2017</b> <b>Increase</b> <b>understanding</b> <b>of fundraising</b> <b>£</b>	<b>2017</b> <b>Enable fundraisers</b> <b>to be the best</b> <b>they can be</b> <b>£</b>	<b>2017</b> <b>Total Funds</b> <b>£</b>	<b>2016</b> <b>Total Funds</b> <b>£</b>
<b>Unrestricted Funds</b>					
Individual Membership	497,099	-	-	497,099	491,383
Organisational Membership	526,706	-	-	526,706	501,114
National Convention, Conferences & Events	-	-	1,225,620	1,225,620	1,300,182
Academy	-	-	688,532	688,532	613,443
Policy Projects	96,485	-	-	96,485	87,686
Other Professional Development Income	-	-	63,465	63,465	64,547
Regional & Special Interest Groups	-	-	443,311	443,311	346,854
	<b>1,120,290</b>	<b>-</b>	<b>2,420,928</b>	<b>3,541,218</b>	<b>3,405,209</b>
<b>Restricted Funds</b>					
Wales Office	-	-	46,502	46,502	60,934
Scottish Office	10,406	13,875	45,092	69,373	62,573
Remember A Charity	1,000,635	-	-	1,000,635	996,462
Compliance Directorate	-	261,642	-	261,642	-
City Bridge Trust	-	-	30,277	30,277	34,259
Heritage Lottery Fund	-	-	128,186	128,186	144,426
National Archives	-	-	-	-	9,600
The Tudor Trust	-	-	30,000	30,000	-
	<b>1,011,041</b>	<b>275,517</b>	<b>280,057</b>	<b>1,566,615</b>	<b>1,308,257</b>
<b>Total income from charitable activities</b>	<b>2,131,331</b>	<b>275,517</b>	<b>2,700,985</b>	<b>5,107,833</b>	<b>4,713,466</b>

#### 4 Expenditure on charitable activities

	<b>2017</b> <b>Create a better</b> <b>environment for</b> <b>fundraisers to</b> <b>raise money</b> <b>£</b>	<b>2017</b> <b>Increase</b> <b>understanding of</b> <b>fundraising</b> <b>£</b>	<b>2017</b> <b>Enable Fundraisers</b> <b>to be the best they</b> <b>can be</b> <b>£</b>	<b>2017</b> <b>Total Funds</b> <b>£</b>	<b>2016</b> <b>Total Funds</b> <b>£</b>
<b>Unrestricted Funds</b>					
Membership Services	630,870	-	-	630,870	599,511
National Convention	-	-	1,051,281	1,051,281	1,091,137
Academy	-	-	541,088	541,088	457,794
Policy Projects	157,900	126,320	31,580	315,800	162,333
Other Professional Development costs	-	-	98,043	98,043	62,872
Regional & Special Interest Groups	-	-	428,679	428,679	321,130
Support Costs (note 5)	163,842	142,066	194,368	500,276	460,629
	<b>952,612</b>	<b>268,386</b>	<b>2,345,039</b>	<b>3,566,037</b>	<b>3,155,406</b>
<b>Restricted Funds</b>					
Wales Office	-	-	61,777	61,777	56,373
Scottish Office	10,406	13,875	45,092	69,373	62,572
Remember A Charity	828,459	-	-	828,459	818,181
Compliance Directorate	-	297,441	-	297,441	-
City Bridge Trust	-	-	19,007	19,007	25,440
Heritage Lottery Fund	-	-	98,602	98,602	116,822
National Archives	-	-	-	-	13,328
The Tudor Trust	-	-	12,275	12,275	-
Support Costs (note 5)	110,000	34,375	42,375	186,750	151,009
	<b>948,865</b>	<b>345,691</b>	<b>279,128</b>	<b>1,573,684</b>	<b>1,243,725</b>
<b>Total expenditure on charitable activities</b>	<b>1,901,477</b>	<b>614,077</b>	<b>2,624,167</b>	<b>5,139,721</b>	<b>4,399,131</b>

## 5 Allocation of support and governance costs

Support costs have been apportioned on the basis of predetermined percentage allocations based on staff time.

		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 £	2017 Total £	2016 Total £
<b>Support Cost</b>							
Irrecoverable VAT (See note 8)	Staff Time	15,377	13,333	18,241	4,770	51,721	51,059
Depreciation	Staff Time	17,506	15,180	20,768	5,431	58,885	65,246
Operating leases – buildings	Staff Time	27,882	24,177	33,080	8,650	93,789	102,267
- other	Staff Time	2,037	1,761	2,409	630	6,837	7,185
Governance costs (See note 6)	Staff Time	11,115	9,638	13,187	3,448	37,388	33,410
Other overheads	Staff Time	89,925	77,977	106,683	27,896	302,481	282,435
<b>Total Unrestricted 2017</b>		<b>163,842</b>	<b>142,066</b>	<b>194,368</b>	<b>50,825</b>	<b>551,101</b>	<b>541,602</b>
		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 £	2017 Total £	2016 Total £
<b>Support Cost</b>							
Irrecoverable VAT (See note 8)	Staff Time	11,075	3,461	4,267	-	18,803	15,173
Depreciation	Staff Time	12,609	3,940	4,857	-	21,406	19,388
Operating leases – buildings	Staff Time	20,083	6,276	7,736	-	34,095	30,388
- other	Staff Time	1,463	457	563	-	2,483	2,134
Other overheads	Staff Time	64,770	20,241	24,952	-	109,963	83,926
<b>Total Restricted 2017</b>		<b>110,000</b>	<b>34,375</b>	<b>42,375</b>	<b>-</b>	<b>186,750</b>	<b>151,009</b>
<b>Total Allocated 2017</b>		<b>273,842</b>	<b>176,441</b>	<b>236,743</b>	<b>50,825</b>	<b>737,851</b>	<b>692,611</b>
<b>Total Allocated 2016</b>		247,382	45,048	319,208	80,974	692,611	

## 6 Governance Costs

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Auditors' fees - current year	15,419	15,430
Trustees' meeting costs	9,137	5,981
Office and other costs	12,833	12,000
	<b>37,388</b>	<b>33,410</b>

## 7 Staff costs

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,685,277	1,460,966
Social security costs	167,652	149,337
Pension contributions	78,972	42,160
Redundancy and termination costs	20,000	-
	<b>1,951,901</b>	<b>1,652,463</b>

IoF offers eligible staff a group personal pension scheme which is currently administered and managed by Aegon. IoF pays twice the percentage that the employee contributes up to a maximum of 7.5%.

During the year employees earning in excess of £60,000 per annum, including taxable benefits fell into the following ranges.

	<b>2017</b>	<b>2016</b>
£80,000 - £89,999	1	1
£60,000 - £69,999	4	4

The total amount of pension benefits paid for these employees was £17,055 (2016: £17,080)

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 Compliance (from 1<sup>st</sup> September 2016), Director of Engagement & Public Affairs, and Director of Development & Remember A Charity.

The total remuneration (being taxable benefits and employer's pension contributions and NI) of the key management personnel for the year was £483,688 (2016: £408,878). Trustees' remuneration for the year was £Nil (2016: £Nil).

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

<b>Name</b>	<b>Service provided</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
Carol Akiwumi	Professional Development	1,850	2,688
Carol Akiwumi	Avocado Project Director and Expenses	7,789	-
		<b>9,639</b>	<b>2,688</b>

The total sum of £2,416 (2016: £7,2268) was paid to 3 (2016: 7) trustees in relation to travel and subsistence.

The average number of employees analysed by function was:

	<b>2017</b>	<b>2016</b>
Costs for raising funds	2	2
Create a better environment for fundraisers to raise money	19	17
Increase understanding of fundraising	10	7
Enable Fundraisers to be the best they can	18	16
	<b>49</b>	<b>42</b>

## 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 £183,857 (2016: £216,481).

## 9 Intangible Fixed Assets

All used for direct charitable purposes. Includes restricted assets

	<b>Computer Software &amp; Website £</b>	<b>Total £</b>
<b>Cost</b>		
At 1st April 2016	307,807	307,807
Additions	33,763	33,763
Acquisitions arising from transfer (see note 16)	88,035	88,035
At 31st March 2017	<b>429,605</b>	<b>429,605</b>
<b>Amortisation</b>		
At 1st April 2016	158,517	158,517
Charges for the year	67,466	67,466
At 31st March 2017	<b>225,983</b>	<b>225,983</b>
<b>Net book value</b>		
At 31st March 2017	<b>203,622</b>	<b>203,622</b>
At 1st April 2016	<b>149,290</b>	<b>149,290</b>

Included within intangible fixed assets are assets which relate to restricted funds. The Net book value of assets held as restricted funds at 31 March 2017 amounted to £95,364 (2016: Nil).



## 10 Tangible Fixed Assets

	Office Equipment £	Furniture and Fittings £	Total £
<b>Cost</b>			
At 1st April 2016	44,107	182,457	226,564
Additions	25,620	74,662	100,282
At 31st March 2017	<b>69,727</b>	<b>257,119</b>	<b>326,846</b>
<b>Depreciation</b>			
At 1st April 2016	20,174	101,819	121,993
Charges for the year	7,768	69,744	77,512
At 31st March 2017	<b>27,942</b>	<b>171,563</b>	<b>199,505</b>
<b>Net book value</b>			
At 31st March 2017	<b>41,785</b>	<b>85,556</b>	<b>127,341</b>
At 1st April 2016	<b>23,933</b>	<b>80,638</b>	<b>104,571</b>

Office equipment additions included a new server and the furniture and fittings additions relate to an office refit and furniture to accommodate the new Compliance Directorate following the PFRA transfer.

## 11 Debtors and pre-payments

	2017 £	2016 £
Trade Debtors - Unrestricted	392,682	151,005
Trade Debtors - Restricted	637,590	595,129
Accrued Income	81,775	-
Other Debtors	62,097	54,201
Prepayments	345,165	347,535
	<b>1,519,309</b>	<b>1,147,870</b>

Included within other debtors is £48,996 (2016: £48,996), which relates to the rental deposit which falls due in more than one year.

## 12 Creditors (amounts falling within one year)

	2017	2016
	£	£
Trade creditors	210,363	232,926
VAT	19,579	2,570
Taxation and Social Security costs	171	192
Other Creditors	119,964	60,560
Accruals & Deferred income - Unrestricted	844,106	566,189
Accruals & Deferred income - Restricted	790,255	737,861
	<b>1,984,438</b>	<b>1,600,298</b>

The majority of deferred income relates to annual membership fee income and payments and bookings for training and events received in advance.

## 13 Movement in Funds

	At 1st April 2016	Income	Expenditure	Transfers and PFRA	At 31 <sup>st</sup> March 2017
	£	£	£	£	£
Unrestricted Funds					
General	368,690	3,325,824	(3,333,202)	18,262	379,574
Designated Funds					
Regional and Special Interest Groups	250,655	443,311	(428,679)	(10,426)	254,861
Development of the Diploma Online	2,750	-	(2,750)	-	-
Fixed assets (intangible & tangible)	253,861	-	-	(18,262)	235,599
Sub Total Designated Funds	507,266	443,311	(431,429)	(28,688)	490,460
<b>Total unrestricted Funds</b>	<b>875,956</b>	<b>3,769,135</b>	<b>(3,764,631)</b>	<b>(10,426)</b>	<b>870,034</b>
Restricted Funds					
Welsh Office	4,849	46,502	(61,777)	10,426	-
Remember A Charity	198,830	1,040,842	(938,459)	-	301,213
City Bridge Funding	1,521	30,277	(31,798)	-	-
Heritage Lottery Funding	2,453	128,186	(128,186)	-	2,453
The Tudor Trust	-	30,000	(12,275)	-	17,725
Compliance Directorate (note 16)	-	261,642	(331,816)	408,033	337,859
Scottish Office	-	69,373	(69,373)	-	-
Total Restricted Funds	207,653	1,606,822	(1,573,684)	418,459	659,250
<b>Total funds 2017</b>	<b>1,083,609</b>	<b>5,375,957</b>	<b>(5,338,315)</b>	<b>408,033</b>	<b>1,529,284</b>
<b>Total funds 2016</b>	<b>751,448</b>	<b>4,929,155</b>	<b>(4,596,994)</b>	<b>-</b>	<b>1,083,609</b>

**Transfers between funds:**

The sum of £18,262 has been transferred from the Fixed Assets to General Funds to reflect the current level of the unrestricted fixed assets. The sum of £10,426 has been transferred from the designated fund for the Welsh membership community to the restricted fund for the Welsh Office to cover a shortfall in grant income.

**Designated Funds:**

The remaining designated fund relates to income and expenditure arising from our network of Regional & Special Interest Groups.

**Restricted Funds:**

The Wales Office

The Welsh Office continued delivering the project "Building Fundraising Capacity & Financial Resilience within the Welsh Voluntary Sector", which is a three-year programme funded by the Big Lottery which ended in December 2016.

Remember A Charity

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

City Bridge Funding

We secured funding for a three-year programme of mentoring, funded by the City Bridge Trust, which is being delivered in partnership with our South East & London Region. This funding ended in March 2017.

Heritage Lottery Fund

We secured funding for a programme, funded by the Heritage Lottery Fund and delivered in partnership with the Heritage Alliance, which will build fundraising capacity in the Heritage Sector. Current funding is due to end in summer 2017.

Tudor Trust

We secured funding during the year for a two year programme of training, consultancy and support to BAME organisations "The Avocado Project", which is being delivered in partnership with our Black Fundraisers UK Special Interest Group.

Compliance Directorate

These funds represent the transfer from the PFRA and the income and expenditure directly related to the subsequent related compliance activities, in line with the transfer agreement, including certification of fundraising organisations, site allocation, field monitoring and mystery shopping, training and guidance.

Scottish 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.

## 14 Analysis of net assets between funds

	<b>General Funds 2017 £</b>	<b>Designated Funds 2017 £</b>	<b>Restricted Funds 2017 £</b>	<b>Total Funds 2017 £</b>	<b>Total Funds 2016 £</b>
Fixed assets	-	235,599	95,364	330,963	253,861
Debtors	876,161	5,558	637,590	1,519,309	1,147,870
Cash at bank and in hand	697,626	249,303	716,521	1,663,450	1,282,176
Creditors: Amounts falling due within one year	(1,194,213)	-	(790,225)	(1,984,438)	(1,600,298)
<b>Total 2017</b>	<b>379,574</b>	<b>490,460</b>	<b>659,250</b>	<b>1,529,284</b>	<b>1,083,609</b>
<b>Total 2016</b>	<b>368,690</b>	<b>507,266</b>	<b>207,653</b>	<b>1,083,609</b>	

## 15 Operating lease commitments

The charity had commitments at the year end under operating leases expiring as follows:

	<b>Property</b>		<b>Equipment</b>	
	<b>2017 £</b>	<b>2016 £</b>	<b>2017 £</b>	<b>2016 £</b>
Leases that expire:-				
Within 1 year	85,028	85,028	21,142	14,040
Between 2-5 years	127,542	212,570	25,645	31,009
	<b>212,570</b>	<b>297,598</b>	<b>46,787</b>	<b>45,049</b>

## 16 Transfer of the Public Fundraising Regulatory Association

On the 1 September 2016 the Public Fundraising Regulatory Association merged with the Institute. On this day both the activities and the assets of the Association was transferred to the Institute. The fair value of the net assets transferred to the Institute as a result of the merger were as follows.

	<b>Book Value £</b>	<b>Adjustments £</b>	<b>Fair Value £</b>
Fixed Assets	90,102	(2,067)	88,035
Debtors	124,331	-	124,331
Cash at Bank and in Hand	309,165	-	309,165
Current Liabilities	(113,498)	-	(113,498)
	<b>410,100</b>	<b>(2,067)</b>	<b>408,033</b>

The fair value adjustment related to impairment of office fixtures and fittings.

## 9. REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity name</b>	Institute of Fundraising
<b>Charity numbers</b>	England and Wales 1079573, Scotland SC038971
<b>Company number</b>	03870883
<b>Registered office</b>	Charter House, 13-15 Carteret Street, London, SW1H 9DJ
<b>Auditors</b>	Mazars LLP Times House, Throwley Way, Sutton, Surrey SM1 4JQ
<b>Bankers</b>	National Westminster Bank PLC 358 South Lambeth Road, London, SW8 1UR
<b>Solicitors</b>	Bates, Wells & Braithwaite London LLP 10 Queen Street Place, London, EC4R 1BE
<b>Senior Staff</b>	Peter Lewis is the Chief Executive.
<b>Directors and Trustees</b>	The directors of the charitable company ("the charity") 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 directors and Trustees in the period to the date of this report:

Kath Abrahams	
Carol Akiwumi	
Danielle Atkinson	
Irene Chambers	
Emily Drayson	
Helen Elliott	(Treasurer)
Stephen George	(Vice-Chair)
Karen McKenzie	(Retired July 2016)
Giles Pegram, CBE	
Liz Tait	
Richard Taylor	(Chair)
Mike Wade	
Dominic Will	(From April 2016)

Details of each current Trustee are available in the "about us" "Governance" section of the Institute's website: [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).



[www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk)

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