



Trustees' report and audited financial statements

For the year ended 31 March 2017

Registered Charity Number (England & Wales): 1132411
Registered Charity Number (Scotland): SCO047395

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1. Trustees' Report

The trustees present their report with the financial statements of the Charity and its wholly-owned subsidiary for the 12 month period ended 31 March 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard in the UK and Republic of Ireland".

Reference and administrative details

Charity name

Localgiving Foundation

Registered charity number

England & Wales: 1132411

Scotland: SCO047395

Principal address

Unit 2

189-190 Shoreditch High Street

London

E1 6HU

Trustees

Tom Latchford (Chairman) – appointed 20 July 2017

Tom Williamson – appointed 20 July 2017

Gillian Mead – appointed 20 July 2017

Marcelle Speller (former Chair) – resigned 20 July 2017

Sylvia Brown – resigned 20 July 2017

Richard Coundley – resigned 19 July 2017

Kathrin Dunn – resigned 20 July 2017

Tracey Reddings – resigned 20 July 2017

David Robinson – resigned 20 July 2017

Auditors

Goodman Jones LLP

Statutory Auditors

29/30 Fitzroy Square

London

W1T 6LQ

Bankers

CAF Bank

25 Kings Hill Avenue

Kings Hill

West Malling

Kent

ME19 4JQ

Solicitors

Freshfields Bruckhaus Deringer LLP

65 Fleet Street

London

EC4Y 1HS

Structure, governance and management

Governing document

The Charity is constituted and managed in accordance with the trust deed of 20 October 2009.

Trustee appointments and training

New trustees of the Charity are appointed by the existing trustees. Trustees have the power to appoint new trustees at any time by passing an ordinary resolution at a trustee meeting or by written resolution. The minimum number of trustees is 3 and there is no maximum.

The Trustees offer a wide range of skills and experience essential for good governance of the Charity. New trustees are given an induction pack containing key information on the Charity and its subsidiary.

Organisational structure and decision making

The Charity is governed by a Board of Trustees including a chair and two other trustees as at the date of approval of the Trustees' Report. The Trustees are ultimately responsible for the Charity's strategic direction, upholding the Charity's values, and ensuring that it achieves its objectives. Trustees are involved in and approve key strategic decisions, including major funder projects and activities affecting the Charity's reputation, finances or ability to support local charities and community organisations. The Trustees hold meetings quarterly. In addition, they also take part in ad hoc consultations on stewardship issues and act as ambassadors for the Charity in public.

The subsidiary, Localgiving Ltd, has a separate board of directors, which is responsible for the planning and major operational decision making of the organisation. This includes reviewing risk management, key activities or projects and performance against objectives. The Board meets regularly (6 times per year) and is responsible for reporting back to the Charity regularly on its financial position and progress against business plan.

The staff of the subsidiary, overseen by the director, are responsible for the day-to-day management of the subsidiary and implementing plans and activities. The Senior Management Team has regular 1:1 meetings with the Chairman at which they have the opportunity to raise any immediate issues that require strategic guidance. The Senior Management Team maintains regular weekly meetings to track performance, manage issues and assess new

opportunities. The staff team is structured around 3 key functions: Technology Development, Business Development and Finance & Operations. The staff also works in flexible cross-functional teams to deliver new technology projects, regional development programmes and match fund campaigns.

Consulting with local charities and community groups is core to the Charity's approach. Along with surveys of our beneficiaries and donors, which are shared throughout the group, feedback from visits by members of staff, managers, directors and trustees inform decisions about the strategic objectives and activities of the group.

The group looks to collaborate and build partnerships with other organisations in the sector through joint funding programmes, cross-member benefits, advocacy, shared services and research.

Remuneration of key management personnel

The Charity has no employees and none of the Trustees receive any remuneration (see Note 7). The subsidiary, Localgiving Ltd, employs staff.

Salaries for permanent staff are revised and set once per year in March by the remuneration committee with new salaries taking effect in April. The committee is made up of the Trustees of Localgiving Foundation and the Head of Business Development of Localgiving Ltd. Localgiving Ltd aims to pay staff as fairly as possible and is a Living Wage employer. Staffs on contracts for Regional Development programmes have their pay set according to costing in the funding proposal for the respective programme. Localgiving Ltd aims to recover full cost on funding bids for these programmes, unless the member of staff contributes to core operations as well.

Members of the Senior Management Team have their pay set based on a number of factors: London Living wage increases, performance of the organisation against pre-agreed targets, individual performance and financial constraints of the organisation.

Related parties

As at 31st March 2017, the Charity owns 100% of the called-up share capital in Localgiving Ltd (the subsidiary). Localgiving Ltd became a wholly owned subsidiary of the Charity on 28th October 2015.

The Chairman of the Charity, Tom Latchford, is also

the director of the subsidiary. The subsidiary acts as an agent for the Charity to receive online donations and match grants, claim Gift Aid and pay grants to local charities. The transaction costs of this income and expenditure are recharged to the charity by the subsidiary.

The charity also makes grants to the subsidiary from funding it has received to cover costs of running regional development programmes.

Objectives and activities

Localgiving Foundation is dedicated to providing funding opportunities and advocacy for local charities and community groups in the UK. Its mission is to safeguard the sustainability of the local voluntary sector by empowering charitable organisations to connect with supporters, fundraise online and take control of their future.

Long term:

- a. Help to strengthen communities by increasing funding of the local voluntary sector.
- b. Build public awareness of the value and opportunities of the local voluntary sector.
- c. Increase fundraising efficiency and reduce the administrative burden of grant applications.

Short term:

- a. Increase the value and number of the online donations and deliver more grants to beneficiary local voluntary organisations.
- b. Publish research reports to enhance government and media recognition of the value, opportunities and vulnerability of the local voluntary sector.
- c. Increase coverage of digital fundraising capacity building programmes to digital cold spots in the UK.
- d. Provide a year-round calendar of fundraising promotions and match funds.
- e. Enable grant makers to make many micro-grants to Localgiving members without application forms.

Activities

(1) Grant-making to beneficiary local charities and community organisations in the UK

Donations made on the Localgiving fundraising

platform are forwarded on to member charities and community groups along with any match funding to the online donations.

These online donations represent voluntary income and, along with allocated match funding, are designated by the Trustees for grant-making. These micro-grants are paid out automatically to the member charities and community organisations that have fund-raised the donations.

(2) Activities directly undertaken by Localgiving which fall into four core areas:

- i. *Technology* - providing an online fundraising website, devoted to local charities and community organisations. The website enables charitable organisations to receive online donations, whether one-off or as a recurring monthly Direct Debit. It provides automated Gift Aid processing and enables smaller unregistered charities to benefit from Gift Aided donations. It provides access to dashboards of donation reporting and enables charities to send messages to supporters.
- ii. *Support* - delivering support and training to small local charities across the country. It secures funding from third party philanthropists and charitable foundations to run regional development programmes where local field workers provide free face-to-face training for charities, focused on developing digital and fundraising skills. It runs a national helpdesk, which provides customer support, as well as digital fundraising training and tips, via phone, email, social media and webinars.
- iii. *Funding* - securing funding from government bodies, philanthropists, other grant-making foundations and corporate sponsors for

local and national match fund campaigns, which match public donations made to local charities through the website.

- iv. *Advocacy* - running PR, marketing and advertising campaigns to support match funds, capacity building programmes and charity fundraising initiatives. It works to secure coverage, both locally and nationally. It also conducts research to quantify the impact of local charitable organisations and report on the current state of the sector.

Public benefit

The Trustees confirm that they have referred to the Charity's Commission guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting policies.

The Charity seeks to promote the local voluntary sector, efficiency and effectiveness of charities and the effective use of charitable resources. Its beneficiaries are local charities and community groups. The methods it uses to achieve its charitable purposes include:

- a. Making grants to local community organisations
- b. Providing free training in digital fundraising skills
- c. Undertaking research into the state of the local voluntary sector
- d. Providing advocacy for the local voluntary sector
- e. Acts as a network of local charities and community groups in the UK

Achievements and performance

Incentivised giving

This year we ran 5 campaigns throughout the year in April, June, October, November and December. Campaigns were supported by a variety of individual donors, corporate partners and by the Office of Civil Society.

We also released '*Striking a match*' – our Incentivised Giving Report – which outlined the key results and learnings from the various match fund campaigns Localgiving ran throughout 2015 as part of its Incentivised Giving Programme.

Grow Your Tenner 2016

In October and November 2016, we ran our fifth Grow Your Tenner campaign and the third UK-wide

iteration of the campaign.

- £868,189 raised
- 1,316 groups participated
- 18,880 members of the public donated

The legacy from monthly donations set up during the campaign, has raised over £1 million for local organisations across the UK.

This year we chose to further limit the amount of match funding each donor could get which had the effect of extending the length of the campaign - this year's campaign ran for 41 days (2015 – 11days).

Funding for the campaign came partly from a grant from the Office of Civil Society and partly from an individual donor.

Our long term aims for the campaign were to increase the length of time the campaign lasted and to increase the amount of match funding distributed to over £250k, both of which were achieved. Having a long- lasting campaign meant that significantly more groups were able to take part and benefit from the match funding available (1,316 compared to 899 in October 2015).

This year we also delivered a tailored training programme to local charities and community groups to provide them with new skills to help them fundraising during Grow Your Tenner. More details about this can be seen in the *Support, training and capacity building* section of this report.

"The Grow Your Tenner campaign has had a massive impact! It helped us to raise our profile in Bath and gave us a chance to demonstrate the breadth of work we do, especially as we are in one of the top 20% most deprived areas of the country.

The campaign helped us to raise funds in a way that also generates better awareness of work in comparison to a grant application, which doesn't help to create publicity."
Michelle Payne, First Steps Bath –
Grow Your Tenner 2016 beneficiary group

Local Hero

After the resounding success of our inaugural Local Hero campaign in 2015, we once again ran the competition style match fund in 2016, but moved it to April so it was more in line with typical fundraising season.

As in 2015, £5000 of prizes were shared between 20 fundraisers who attracted the most donors.

Results significantly improved on 2015 as shown below:

- £113,664 was raised (2015 - £80,499)
- 410 fundraisers took part (2015 - 268)
- 176 groups were fundraised for (2015 - 161)
- 4,765 people donated (2015 - 2,576)

The match funding for the campaign was kindly donated by *Making a Difference Locally*.

Following the success of this year's campaign we fully intend to make Local Hero part of the annual calendar of incentivised giving campaigns delivered

by Localgiving.

Local Hero prize winners YMCA Milton Keynes had a number of fundraisers taking part in a 'Sleep Out' challenge and won additional funding totalling £800, as well as generating additional publicity for their charity.

"Our team of fundraisers were able to raise over £15,000, including £800 in prizes through the campaign. We have recently lost £194,000 of local authority funding and although we have been in Milton Keynes for the last 35 years, hardly anyone knew who we were – that has now changed!" - Shahnaz Hussain, Fundraising, Events & Residents Activities Manager, YMCA Milton Keynes

#GiveMe5 on Fundraising Day, Giving Tuesday and Local Charities Day

This year saw three #GiveMe5 campaigns being run to support three separate fundraising days during 2016.

The first was run during Small Charity Week, on Fundraising day (16th June 2016), and the funding was kindly provided by the Foundation for Social Improvement (FSI) and an individual donor.

The second was on Giving Tuesday (29th November 2017) with the funding being kindly donated by an individual donor.

The third was on the inaugural Local Charities Day, an initiative announced by then Minister for Civil Society Rob Wilson, to make sure local charities get the recognition and praise they deserve and hopefully more in the way of donations on that day. OCS also provided the funding for the campaign.

In total over £47,596 was raised by 499 groups during these three campaigns. We found that the GiveMe5 campaign during Small Charity Week was more successful than the campaigns later in the year – the close proximity of another large campaign (Grow Your Tenner) potentially reduced enthusiasm for these smaller campaigns.

"Fabulous way to promote the great and varied ways that local charities support people in our communities." -

#GiveMe5 Donor

Learnings

Grow Your Tenner remains our most popular match fund campaign, although it remains a challenge to secure funding for the campaign. The grant from OCS was only secured just over 2 weeks before the start of the campaign in 2016, which meant we could expand the campaign to also include matching one-time donations.

We have built on the success of the first Local Hero campaign and will continue to run the campaign to enable local charities to successfully engage fundraisers.

Although randomised match funds (i.e. #GiveMe5) produce the best value of donations per £1 of match funding, they are not necessarily the most popular campaigns with groups or donors and running them soon after our biggest match fund finished meant we did not see participation rates as high as in the past.

Future plans

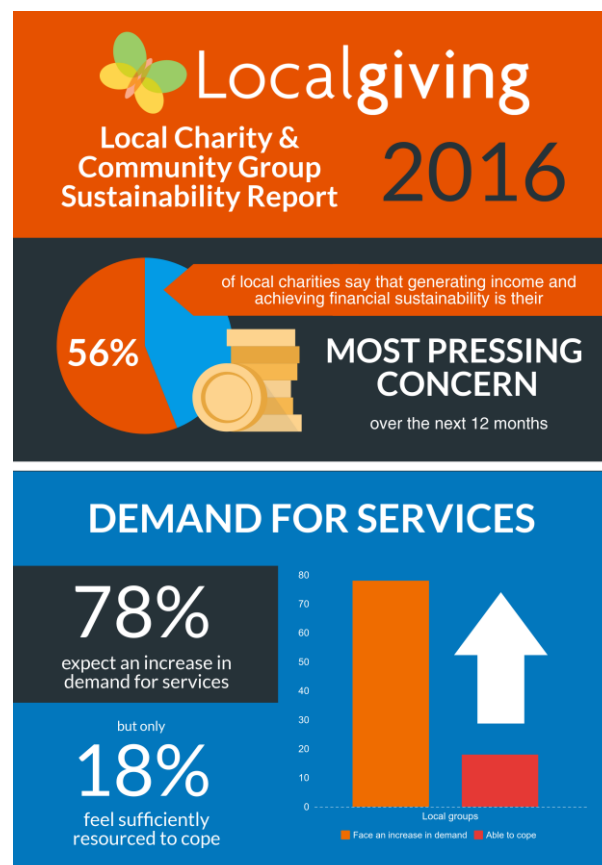
We intend to make Local Hero a regular feature in our annual calendar of match fund campaigns and continue offering a range of campaigns to enable local charities and community groups to raise essential funds.

We would also like to explore alternative one day campaigns to combat potential fatigue with randomised campaigns such as GiveMe5.

Advocacy

This year we published our second annual research report exploring the key issues facing local charities and community groups in the UK. The release of the report coincided with the first ever Local Charities Day.

The data we collected was also cited by Lloyds Bank Foundation in their "Facing Forward" report and was submitted as written evidence to the House of Lords Select Committee on Charities.



Learnings

The report's findings highlighted a number of key areas of concern for the local voluntary sector.

It finds a local voluntary sector facing an ever-increasing demand for services, stimulated largely by an escalation in referrals from other charities and the stretched public sector. At the same time, local organisations are finding it more and more difficult to access funding - particularly to cover core operational costs.

The current situation means that, without significant changes, predictions for the future are bleak. Fewer than half of the local organisations we surveyed were confident they would still be operating in five years' time.

Future plans

We plan to repeat our annual Sustainability Survey in order to continue collecting data on the state of the local voluntary sector in the UK, particularly surrounding issues facing local organisations in the future such as Brexit and the incoming GDPR.

"This report is a timely reminder of the challenges that smaller charities face in securing support for the essential work they do for the wellbeing of local communities. It's no surprise that many smaller charities are struggling in the current funding environment, but with demand for their services ever-increasing it's crucial that they find new ways to raise money to deliver these services. The IoF is delighted to be working with Localgiving to promote the skills and resources volunteers and staff need to help them start filling these funding gaps."

Ceri Edwards, Director of Policy and Communications at the Institute of Fundraising

Regional development programmes

This year has seen the successful expansion of our regional development programmes to over 6 areas of the UK this year.

During the year, six programmes were in progress:

1. **Northern Ireland** – our partnership with the Community Foundation for Northern Ireland continued and in 2016 80 organisations in Northern Ireland raised £73,700 from more than 2,145 donors.
2. **Scotland** – between October 2015 and December 2016 36 new members were supported to raise over £34,000. In addition to this we also provided support to 30 existing members in Scotland who raised more than £100,000, an increase of 14% on the previous year.
3. **North West** – 69 organisations joined Localgiving as part of the programme and they raised more than £97,000 during the 15 months the

programme ran. 86% felt that the programme had made a difference to their online fundraising.

4. **B&NES** – the first six months of the programme saw 50 groups join Localgiving and raise more than £34,000. 96% of the groups surveyed felt more confident with online fundraising.
5. **Wales** – with funding provided by Big Lottery Wales we launched a 2 year programme with 2 regional development managers based in North and South Wales in July 2016. In the first six months 70 organisations in Wales joined the programme and half of them have already raised money. We have also engaged with 14 branches of the CVC network in Wales.
6. **London** – this programme launched in October 2016 and was generously funded by the Indigo Trust and a private philanthropist. By March 2016 68 groups in London had joined the programme. 11 training workshops had been delivered and one-to-one support was provided to 60 groups. 40 groups have successfully raised £22,500 so far.

Learnings

This year we recruited a Programme Manager to support staff members running each programme, to increase the level of co-ordination and co-operation between the programmes and develop best practice.

Future plans

We hope to renew each of our current programmes, as well as launch a programme in a new area of the UK.

Case Study

Salford Foodbank

Salford Foodbank is a foodbank supporting people and families in Salford. They joined Localgiving in October 2016, just before the start of the Grow Your Tenner match funding campaign. Using this as an incentive for donors, Salford Foodbank was quickly able to build up a strong base of supporters who donated online, and made sure to thank all donors, where possible.

After attending a training workshop focusing on Inspiring Online Fundraisers on 14th March 2017, Salford Foodbank were also able to get an amazing 15 fundraisers to take part in the Great Manchester Run, raising thousands in donations through the efforts of these fundraisers.

Additional funding has helped to develop the building and storage capacity of the foodbank – historically they have not struggled for donations of food, but have instead struggled in terms of having the capacity to store and distribute what they receive out to their service users. Donations received via the Localgiving page have really helped here, and the foodbank estimates it has supported upwards of 125 beneficiaries (and their families) with the funds raised through the Localgiving page.

The group said, "We have been delighted with the training and support given by Localgiving. Attending training sessions, together with 1-2-1 support has been invaluable for our charity as it is helping more people than ever"

Online fundraising technology

This year has seen continued improvement in the architecture of the platform as well completion of a major project to improve the sign-up method for new members.

In order to increase the number of organisations raising funds via Localgiving and to make it quicker and easier for organisations to sign up to Localgiving we redeveloped our sign-up process. A number of

new features were introduced:

- Ability to upload all required documents online during the sign-up process, rather than having to post or email them later.
- Ability to invite another person to complete sections of the sign-up process e.g. invite the treasurer of an organisation to complete the payment section.
- Streamlined process to collect only required information initially to speed up the process for new groups joining up to Localgiving.

Learnings

We have a small technology team and therefore being able to remove obstacles to increase efficiency means that we can deliver new features more quickly. This means that we can bring more value to our beneficiaries sooner to facilitate them reaching more donors and raising more funds.

Future plans

Based on the success of our two Local Hero match fund campaigns we are launching a project to redevelop individual fundraising pages available on Localgiving. Our aim is to improve the look of these pages as well as streamline the page creation process for individual fundraisers to help them raise more funds for the charities and community groups they wish to support.

Support, training and capacity building

In order to improve the capacity of local charities in the UK to fundraise online, it is vital to provide an open, free, easily accessible, hands-on and diverse support mix.

One of our aims this year was to introduce free training workshops and webinars to compliment the range of Incentivised Giving programmes we run.

In the run up to Grow Your Tenner 2016 we delivered a number of training sessions including six webinars and 20 training workshops. These were delivered through a variety of training partners and linked up with work being done by our regional development managers across the UK.

In total, training was provided to 293 delegates; 40 organisations who were already Localgiving members and 62 who joined following the training. Of these organisations, 62 went on to raise a total of £45,659 during Grow Your Tenner 2016, an average of £736 –

doing 22% better than the average group taking part in Grow Your Tenner 2016.

Leading up to the #GiveMe5 campaign for Small Charities Week in June 2016 Localgiving delivered a number of training workshops across London and Birmingham, providing training to 82 people during April and May. We also ran a webinar in the build up to the campaign with 164 delegates.

Our customer service team has continued to receive high satisfaction rating (95%) from members and stakeholders contacting us for support. 52% of support tickets received via email were resolved within 8 hours of the customer first contacting us.

Learnings

Building relationships with CVSs and other third sector organisations is vital to ensure a wide range of local charities and community groups are able to access training, both remotely and in person.

"We are in a time when funding is very scarce which makes it even more important for our charities to learn ways of becoming more sustainable. Most of the charities in Westminster do not have the knowledge, capacity and resources to follow up on the info that they have received on the training. This makes the one-to-one support a vital resource."

Davide Marullo, One Westminster – a London programme partner

Future plans

We have recently become a major partner in a training contract awarded by the Department for Culture, Media and Sport to the Foundation for Social Improvement.

The programme will provide over 5,000 fundraising training opportunities for small, local charities and community groups and Localgiving will be delivering a range of webinars; face-to-face training workshops and support packages.

We have also made training a key part of our Incentivised Giving programme with webinar training available before each campaign takes place to enable groups to raise as much as possible.

Financial review

Supporters and beneficiaries

Localgiving Foundation is grateful to every one of its supporters. Without such vision and continued involvement it would not be possible to provide these valuable services to charities and community organisations across the UK.

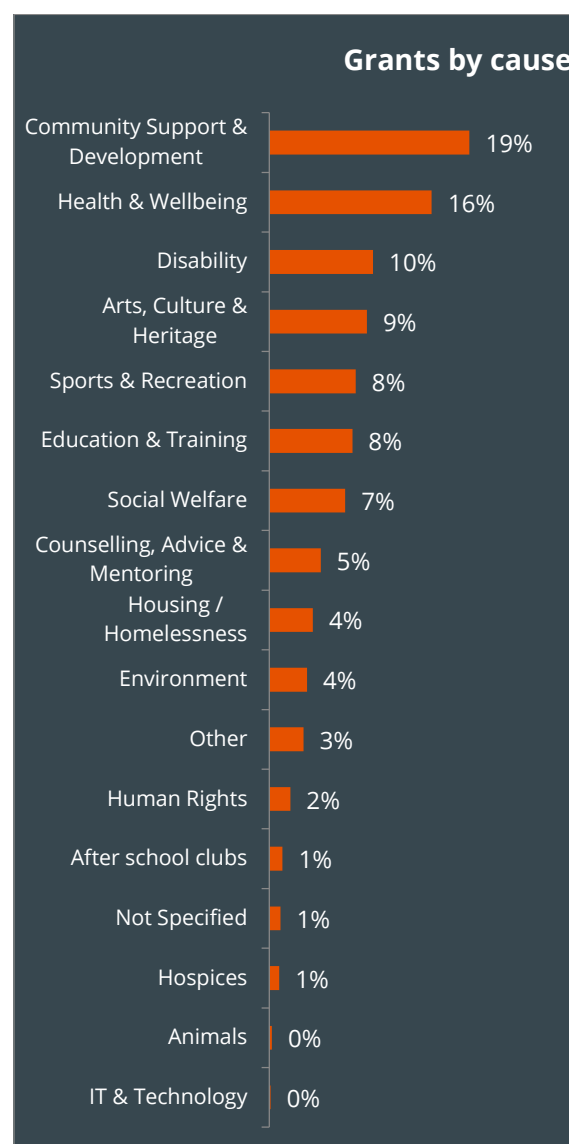
The group received £3,428,571 in voluntary income during the year. This was made up of donations of £2,877,396 and grants of £551,175.

Donations and grants were received from the following sources:

Donor / Funder	£
Big Lottery Wales	164,592
Cobalt Trust	41,000
Robertson Trust	35,000
Indigo Trust	20,850
Hammerson PLC	1,250
Online donors	2,227,594
Individuals	938,285
	3,428,571

From this income grants of £2,254,036 were awarded. The group had support costs related to grant payments of £21,804.

Grants made supported beneficiary charities and community organisations by the following causes:



Reserves policy

The Trustees maintain a reserves policy to build up the Charity's unrestricted reserves to a level that will provide appropriate protection against normal and economic risks and which will also provide a stable financial foundation to meet current financial commitments, planned activities, and to invest for future growth.

Reserves of £343,586 were carried forward at the end of the year, represented by £216,756 restricted funds for future grant awards, £84,073 designated funds for future grants awards and £42,757 in general funds.

Voluntary income via online donations is designated to fund local charities represented on Localgiving's online fundraising platform. These amounts are paid out on a weekly basis to designated grantees. The Charity is also generously funded by large donations

from individuals.

Localgiving Foundation's level of free reserves is under continuous review.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed and have in place systems to mitigate its exposure to major risks.

The Charity depends on the subsidiary's technology to receive donations and to operate grant programmes. The subsidiary provides quarterly operational risk reviews related to the processing of grants to local charities and community groups; the validation of these groups to be able to receive funds and the website infrastructure to deliver the fundraising platform. The subsidiary is required to have an independent website security audit once per year.

The subsidiary requires cash loans from the Charity in order to cover cash requirements until it reaches break even. The Charity loans funds from its free reserves. Financial performance and cash forecasts of the subsidiary are reviewed monthly by the Chairman to ensure the subsidiary remains on track to with its business plan. The Charity provides against the loan to the subsidiary in its Statement of Financial Activities.

Funds as agent

The Charity also receives funds on behalf of other foundations through its online platform. These donations are held on behalf of and remain under the control of these other foundations. As a result, the Charity does not include these funds in its financial statements.

At the balance sheet date, an amount of £14,733 (2016: £3,004) was on behalf of other foundations.

Trustees' responsibilities statement

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Goodman Jones LLP, have indicated their willingness to continue in office. A motion proposing the re-appointment of the auditors will be raised at a meeting of the Trustees.

On behalf of the board:

T Latchford

Chair of Trustees

Date: 31 January 2018

2. Independent auditor's report

Opinion

We have audited the financial statements of Localgiving Foundation (the 'Charity') for the year ended 31 March 2017 set out on pages 12 to 27. 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).

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including 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 Charities Act 2011.

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 auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 Auditors' Report.

Goodman Jones LLP

Chartered Accountants
Statutory Auditors

29/30 Fitzroy Square
London
W1T 6LQ

Date: 31 January 2018

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

3. Consolidated statement of financial activities

Incorporating income and expenditure

					Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/17 £	Year ended 31/03/16 £
Income from:						
Donation and legacies	2					
Donations		621,202	2,227,594	28,600	2,877,396	2,709,375
Grants		256,683	-	294,492	551,175	298,960
Charitable activities	3	190,610	-	-	190,610	180,320
Investments	4	-	-	-	-	6
Total		1,068,495	2,227,594	323,092	3,619,181	3,188,661
Expenditure on:						
Raising funds	5	-	-	39,602	39,602	2,967
Charitable activities	6					
Grants awarded		44,749	2,132,226	98,865	2,275,840	2,182,334
Localgiving website		953,991	-	203,977	1,157,968	948,238
Governance		7,200	-	-	7,200	7,200
Other expenditure		399			399	-
Total		1,006,339	2,132,226	342,444	3,481,009	3,140,739
Net Income		62,156	95,368	(19,352)	138,172	47,922
Transfers between funds	14	64,413	(107,153)	42,740	-	-
Other recognised gains/(losses):						
Other gains/(losses)		-	-	-	-	-
Net movements in funds		126,569	(11,785)	23,388	138,172	47,922
Reconciliation of funds:						
Total funds brought forward		(83,812)	95,858	193,368	205,414	157,492
Total funds carried forward	14	42,757	84,073	216,756	343,586	205,414

The notes on pages 17 to 27 form part of these financial statements.

4. Charity statement of financial activities

Incorporating income and expenditure

					Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/17 £	Year ended 31/03/16 £
Income from:						
Donation and legacies	2					
Donations		621,202	2,227,594	28,600	2,877,396	2,709,375
Grants		-	-	294,492	294,492	161,364
Charitable activities	3	-	-	-	-	-
Investments	4	39,151	-	-	39,151	30,072
Total		660,353	2,227,594	323,092	3,211,039	2,900,811
Expenditure on:						
Raising funds	5	-	-	39,602	39,602	2,967
Charitable activities						
Grants awarded		44,749	2,248,311	302,842	2,595,902	2,319,399
Localgiving website		-	-	-	-	-
Governance		7,200	-	-	7,200	7,200
Other expenditure		399	-	-	399	-
Total		52,348	2,248,311	342,444	2,643,103	2,329,566
Net Income		608,005	(20,717)	(19,352)	567,936	571,245
Transfers between funds		(51,672)	8,932	42,740	-	-
Other recognised gains/(losses):						
Other gains/(losses)		(444,151)	-	-	(444,151)	(541,065)
Net movements in funds		112,182	(19,773)	23,388	123,785	30,180
Reconciliation of funds:						
Total funds brought forward		(59,542)	95,858	193,368	229,684	199,504
Total funds carried forward		42,757	84,073	216,756	353,469	229,684

The notes on pages 17 to 27 form part of these financial statements.

5. Consolidated balance sheet

					Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/17 £	Year ended 31/03/16 £
Fixed Assets:						
Tangible fixed assets	10	2,624	-	-	2,624	4,237
Investments	11	-	-	-	-	-
Total fixed assets		2,624	-	-	2,624	4,237
Current assets:						
Debtors	12	120,978	84,073	167,139	372,190	242,663
Cash at bank and in hand		19,626	-	92,758	112,384	64,971
Total current assets		140,604	84,073	259,897	484,574	307,634
Liabilities:						
Creditors: amounts falling due within one year	13	(100,471)	-	(43,141)	(143,612)	(106,457)
Net current assets		40,133	84,073	216,756	340,962	201,177
Total assets less current liabilities		42,757	84,073	216,756	343,586	205,414
Creditors: amounts falling due after more than one year		-	-	-	-	-
Total net assets		42,757	84,073	216,756	343,586	205,414
Funds:	14					
General funds					42,757	(83,812)
Designated funds					84,073	95,858
Restricted funds					216,756	193,368
Total funds					343,586	205,414

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the Group.

The financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard in the UK and Republic of Ireland".

The financial statements were approved by the Board of Trustees on 31 January 2018 and were signed on its behalf by:

T Latchford

Chair of Trustees

The notes on pages 17 to 27 form part of these financial statements.

6. Charity balance sheet

					Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year Ended 31/03/17 £	Year ended 31/03/16 £
Fixed Assets:						
Investments	11	5	-	-	5	5
Total fixed assets		5	-	-	5	5
Current assets:						
Debtors	12	53,995	84,073	167,139	305,207	194,623
Cash at bank and in hand		5,841	-	92,758	98,599	49,756
Total current assets		59,836	84,073	259,897	403,806	244,379
Liabilities:						
Creditors: amounts falling due within one year	13	(7,201)	-	(43,141)	(50,342)	(14,700)
Net Current Assets		59,831	84,073	216,756	353,464	229,679
Total assets less current liabilities		59,836	84,073	216,756	353,469	229,684
Creditors: amounts falling due after more than one year		-	-	-	-	-
Net assets		59,836	84,073	216,756	353,469	229,684
Funds:						
General funds					59,836	(59,542)
Designated funds					84,073	95,858
Restricted funds					216,756	193,368
Total funds					353,469	229,684

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the Group.

The financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard in the UK and Republic of Ireland".

The financial statements were approved by the Board of Trustees on 31 January 2018 and were signed on its behalf by:

T Latchford

Chair of Trustees

The notes on pages 17 to 27 form part of these financial statements.

7. Consolidated cash flow statement

	Notes	Year Ended 31/03/17 £	Year ended 31/03/16 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	16	125,097	139,460
Cash flows from investing activities:			
Purchase of tangible fixed assets		(267)	(2,093)
Purchase of intangible fixed assets		(77,417)	(103,908)
Proceeds on disposal of fixed assets		-	-
Net cash used in investing activities		(77,684)	(106,001)
Change in cash and cash equivalents in the year		47,413	33,459
Cash and cash equivalents brought forward		64,971	87,377
Cash and cash equivalents carried forward	17	112,384	64,971

The notes on pages 17 to 27 form part of these financial statements.

8. Notes to the financial statements

1. Accounting Policies

Basis of preparation of the financial statements

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Localgiving Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

Transition to FRS102

This is the first financial year that the charity has presented its financial statements in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). For financial years up to and including the year ended 31 March 2016, the Charity prepared its financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE (2015)).

The Charity's date of transition to FRS 102 is 1 April 2015.

After due consideration, the Trustees concluded that all of the Charity's existing accounting policies complied with FRS102 in respect of scope, recognition and measurement, with the exception of the business systems which have been reclassified from tangible to intangible fixed assets. Therefore, the transition to FRS102 has not affected the Charity's previously reported financial position or financial performance. The Charity has therefore not presented a reconciliation of equity at the date of transition or at 31 March 2016, nor has it presented a reconciliation of profit or loss for the year ended 31 March 2016.

Going concern

The Charity is reliant upon voluntary income, in the form of donations from individuals, membership fees, and grant funding for specific programmes. Income across all of these streams has grown over the last 4 years. The Trustees are confident based on performance since the balance sheet date that further increases will be occur in the year to 31 March 2018.

Since the balance sheet date, the Charity has also received pledges for additional donation income totalling £175,000 from a former trustee of the Charity, and an offer of a short-term loan if required.

After reviewing expected expenditure, expected income, and the future plans of the Charity, the Trustees consider that the Charity is a going concern.

Notes to the financial statements

Accounting policies (continued)

Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria have been met, together with any performance conditions attached to the grant. Grant income received is deferred only when the Charity has yet to fulfill the performance conditions.

Interest receivable

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

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the period end date are noted as a commitment but not accrued as expenditure.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include overall management of the Charity. Governance costs are those associated with the governing of the Charity not relating to fundraising, charitable activities or day to day management.

All resources expended are inclusive of irrecoverable VAT.

Costs incurred in respect of the following accounting period are carried forward at the balance sheet date. Where the costs are met by restricted income funds they are carried forward as restricted funds balances. Where the costs are met by unrestricted income funds they are carried forward as costs in advance. Similarly, any income or grants received in advance are also carried forwards, as either restricted income funds balances or deferred income if unrestricted income.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

Intangible fixed assets and amortisation

Business system development is capitalised as an intangible asset and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided at the following annual rates calculated in order to write off the cost of fixed assets, less their estimated residual value, over their expected useful life.

Business Systems – 20% on cost

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates calculated in order to write off the cost of fixed assets, less their estimated residual value, over their expected useful life.

Office Equipment – 30% on cost

Notes to the financial statements

Accounting policies (continued)

Debtors

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

Cash at Bank and in hand

Cash at bank and 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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Taxation

The Charity is exempt from Income Tax and Capital Gains Tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are held by the Charity for a purpose designated by the Trustees. The designated funds represent online donations that have been set aside to pay out as grants to local charities.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the financial statements

2. Income from donations and legacies

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Donations	2,877,396	2,709,375	2,877,396	2,709,375
Grants	551,175	298,960	294,492	161,364
	3,428,571	3,008,335	3,171,888	2,870,739

In 2016, income from donations and legacies related to the following funds:

Group: £746,565 was to general funds, £2,050,406 was to designated funds and £211,364 was to restricted funds.

Charity: £608,969 was to general funds, £2,050,406 was to designated funds and £211,364 was to restricted funds.

3. Income from charitable activities

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Localgiving website income	190,610	180,320	-	-
	190,610	180,320	-	-

In 2016, income from charitable activities related to the following funds:

Group: £180,320 was to general funds.

Charity: £nil

4. Investment income

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Deposit account interest	-	6	-	6
Interest on loan to subsidiary	-	-	39,151	30,066
	-	6	39,151	30,072

In 2016, investment income related to the following funds:

Group: £6 was to general funds.

Charity: £30,072 was to general funds

Notes to the financial statements

5. Raising funds

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Consultancy fees	39,602	2,967	39,602	2,967
	39,602	2,967	39,602	2,967

In 2016, the total expenditure on raising funds related to the following funds:

Group: £2,967 was to general funds.

Charity: £2,967 was to general funds.

6. Charitable activities

	Group				
	Activities undertaken directly 31/03/17 £	Grant funding of activities 31/03/17 £	Support costs 31/03/17 £	Total Year ended 31/03/17 £	Total Year ended 31/03/16 £
Grants awarded to organisations	-	2,254,036	21,804	2,275,840	2,182,334
Localgiving website	1,157,968	-	-	1,157,968	948,238
Governance costs	-	-	7,200	7,200	7,200
				3,441,008	3,137,772

	Charity				
	Activities undertaken directly 31/03/17 £	Grant funding of activities 31/03/17 £	Support costs 31/03/17 £	Total Year ended 31/03/17 £	Total Year ended 31/03/16 £
Grants awarded to organisations	-	2,458,013	137,889	2,595,902	2,319,399
Governance costs	-	-	7,200	7,200	7,200
				2,603,102	2,326,599

Grants were awarded to a total of 1,569 (2016 - 1,371) organisations. The average grant made during the year was £1,404 (2016 - £1,576). A full list of grants awarded in the year is available from the Foundation's registered office.

Auditors' remuneration was £7,200 (2016 - £7,200).

In 2016, of the total expenditure on charitable activities related to the following funds:

Group: £998,274 was from general funds, £2,132,226 was from designated funds and £259,604 was from restricted funds.

Charity: £52,047 was from general funds, £2,248,311 was from designated funds and £279,238 was from restricted funds.

Notes to the financial statements

7. Staff costs and trustee remuneration

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Staff costs				
Wages & salaries	598,348	547,813	-	-
Social security costs	62,351	56,346	-	-
Pension costs	3,748	-	-	-
	660,699	604,159	-	-
Number of employees				
Charitable activities	17	15	-	-
	17	15	-	-

Included in the staff costs detailed above are gross salary costs of £69,198 (2016 - £92,982), social security costs of £7,485 (2016 - £10,058), and pension costs of £360 (2016: £nil) that have been capitalised as part of the additions to the business systems as per note 9.

One employee earned in excess of £60,000 during the current and prior year (in the band £80,001 - £90,000 for both years).

Trustees' remuneration and expenses

There was no trustees' remuneration or other benefits neither for the year ended 31 March 2017 nor for the period ended 31 March 2016. In addition, there were no trustees' expenses paid for the year ended 31 March 2017, nor for the period ended 31 March 2016.

8. Goodwill

Goodwill arising on the acquisition in previous years of the share capital of Localgiving Ltd has been fully written off in the year of acquisition following an impairment review in that year.

Notes to the financial statements

9. Intangible fixed assets

	Business systems £	Total £
Cost		
At 01/04/2016	650,014	650,014
Additions	77,417	77,417
At 31/03/2017	727,431	727,431
Amortisation		
At 01/04/2016	650,014	650,014
Amortisation for year	7,615	7,615
Impairments	69,802	69,802
At 31/03/2017	727,431	727,431
Net book value		
At 31/03/2017	-	-
At 31/03/2016	-	-

No intangible fixed assets are held by the Charity.

10. Tangible fixed assets

	Office equipment £	Total £
Cost		
At 01/04/2016	23,123	23,123
Additions	267	267
Disposals	(426)	(426)
At 31/03/2017	22,964	22,964
Depreciation		
At 01/04/2016	18,886	18,886
Charge for year	1,880	1,880
Eliminated on disposal	(426)	(426)
At 31/03/2017	20,340	20,340
Net book value		
At 31/03/2017	2,624	2,624
At 31/03/2016	4,237	4,237

No tangible fixed assets are held by the Charity.

Notes to the financial statements

11. Fixed Asset investments

Localgiving Foundation owns 100% of the issued ordinary share capital of £5 of Localgiving Ltd, a company registered in England and Wales (company number 07111208). Localgiving Ltd operates a website allowing charitable donations to small charities and community groups.

The results of the subsidiary are included in the consolidated accounts.

12. Debtors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Trade debtors	782	12,993	-	-
Other debtors	31,248	32,725	-	-
Localgiving Ltd Client's account	188,721	111,165	188,721	111,165
VAT recoverable	681	-	-	-
Prepayments and accrued income	150,758	85,780	116,486	83,458
	372,190	242,663	305,207	194,623

13. Creditors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/17 £	Year ended 31/03/16 £	Year ended 31/03/17 £	Year ended 31/03/16 £
Bank loans and overdrafts	-	-	-	-
Trade creditors	28,906	4,986	43,141	7,499
Social Security and other taxes	16,909	22,555	-	-
Other creditors	75	57	1	1
Accrued expenses	28,732	10,053	7,200	7,200
Deferred income	68,990	68,806	-	-
	143,612	106,457	50,342	14,700

In 2017, deferred income increased by £184 from £68,806 to £69,990 (2016 – by £7,466 from £61,340 to £68,806). Localgiving Ltd runs a membership scheme for charities and community groups for use of its platform benefits. Income from membership subscription is recognised over the period during which member has access to the platform. Any amounts received in advance of recognition of the income are included within deferred income. Payments for annual memberships are normally received in the first month of the membership; since the overall membership has increased, the deferred income liability has also increased.

Notes to the financial statements

14. Movement in funds

	At 01/04/16	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/17
	£	£	£	£	£
Unrestricted funds					
General fund	(83,812)	1,068,495	(1,006,339)	64,413	42,757
Designated fund – online donations	95,858	2,227,594	(2,132,226)	(107,153)	84,073
Restricted funds					
Sowerby Foundation Grant	(585)	-	-	585	-
Scotland Development	12,318	35,000	(35,336)	-	11,982
London Development	50,000	10,000	(22,786)	-	37,214
B&NES Development	39,585	-	(46,992)	18,000	10,593
North West Development	92,050	-	(63,170)	-	28,880
Northern Ireland Development	-	31,800	(45,277)	13,477	-
Wales Development	-	164,592	(78,183)	-	86,409
Smarter Grants	-	28,450	(39,602)	11,152	-
West of England Development	-	41,000	-	-	41,000
Hammerson bursary	-	1,250	(98)	(474)	678
Marcelle Speller	-	11,000	(11,000)	-	-
Subtotal restricted	193,368	323,092	(342,444)	42,740	216,756
Total funds	205,414	3,619,181	(3,481,009)	-	343,586

General fund (unrestricted) represents the general operating funds of the Charity. At 31 March 2016, the fund was overdrawn due to a short delay in an anticipated donation of £100,000 to the Charity.

Online donations fund (designated) represents online donations that have been set aside to pay out as grants to local charities and community groups.

Sowerby Foundation Grant (restricted) represents funding for a regional development programme in North Yorkshire and remaining funds are due to be spent on capacity building for local charities in that region.

Scotland Development (restricted) represents funding for a regional development programme in Scotland and remaining funds are due to be spent on capacity building for local charities in that region.

London Development (restricted) represents funding for a regional development programme in London and remaining funds are due to be spent on capacity building for local charities in that region.

B&NES Development (restricted) represents funding for a regional development programme in B&NES (Bath & North East Somerset) and remaining funds are due to be spent on capacity building for local charities in that region.

North West Regional Development (restricted) represents funding for a regional development programme in North West England and remaining funds are due to be spent on capacity building for local charities in that region.

Northern Ireland Development (restricted) represents funding for a regional development programme in Northern Ireland and remaining funds are due to be spent on capacity building for local charities in that region.

Notes to the financial statements

14. Movement in funds (continued)

Wales Development (restricted) represents funding for a regional development programme in Wales and remaining funds are due to be spent on capacity building for local charities in that region.

Smarter Grants (restricted) represents funding research to into the views of charities on grant making in the UK. The report explored major issues and identified and rewarded best practice by grant makers.

West of England Development (restricted) represents funding for a regional development programme in the West of England and remaining funds are due to be spent on capacity building for local charities in that region. The programme is due to start in June 2017.

Hammerson bursary (restricted) represents monies received for match funding specific projects.

Marcelle Speller (restricted) represents a grant to support three projects for charities in the Bath area - a support program for dementia sufferers and their carers at the Holborne Museum, an outreach program for children from deprived areas with Iford Manor Opera, and general support of the Parlour Community Shop in Wellow.

15. Operating lease commitments

At 31 March 2017, the Group was committed to making annual payments of £50,250 (2016 - £50,250) under non-cancellable operating leases in respect of land and buildings which expires within two - five years (2016 - two - five years). The leases are held by the subsidiary; the Charity has no operating lease commitments.

16. Reconciliation of net movement in funds to net cash flow from operating activities

	Year ended 31/03/17 £	Year ended 31/03/16 £
Net income for the year (as per Statement of Financial Activities)	138,172	47,922
Adjustment for:		
Depreciation charges	1,880	1,863
Amortisation charges	77,417	103,908
Loss on sale of fixed assets	-	-
Decrease/(increase) in debtors	(129,527)	6,821
Decrease/(increase) in creditors	37,155	(21,054)
Net cash (used in)/provided by operating activities	125,097	139,460

17. Analysis of cash and cash equivalents

	Year ended 31/03/17 £	Year ended 31/03/16 £
Cash in hand	112,384	64,971
Total	112,384	64,971

Notes to the financial statements

18. Related party disclosures

The Localgiving Foundation owns 100% of the called-up share capital of Localgiving Ltd. The Chairman of the Localgiving Foundation, Tom Latchford, is also a director of Localgiving Ltd.

Localgiving Ltd acts as an agent for the Localgiving Foundation to receive online donations and grant funding, and to pay grants to local charities on behalf of the Localgiving Foundation. The transaction costs of this income and expenditure are recharged to the Localgiving Foundation by Localgiving Ltd.

During the year, £2,227,594 (2016 - £2,050,406) in online donations and £189,499 (2016 - £189,499) in grant funding was received by Localgiving Ltd on behalf of Localgiving Foundation. Localgiving Ltd paid out £2,192,131 (2016 - £2,150,982) in grants to local charities and recharged £116,085 (2016 - £87,325) in transaction fees. At 31 March 2017 Localgiving Ltd owed £188,721 (2016 - £111,165) to the Localgiving Foundation, representing online donations and grants received not yet awarded as grants to local charities.

Localgiving Foundation has also advanced a loan to Localgiving Ltd. At the balance sheet date, an amount totalling £2,136,000 (2016 - £1,731,000) was owed to Localgiving Foundation plus accrued interest of £97,498 (2016 - £58,347). This balance is fully provided for in the Charity statement of Financial Activities and the provision for the year was £444,151 (2016 - £541,065).

During the year, donations totalling £571,000 (2016: £475,000) were received from trustees. No restrictions were attached to these donations in either year.

19. Controlling party

The Charity is controlled by the Trustees as disclosed in the Trustees' Report.

