

LOCALGIVING FOUNDATION
(Formerly known as the Ardbrack Foundation)

REPORT OF THE TRUSTEES AND AUDITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

haysmacintyre
Chartered Accountants
Registered Auditors

Registered Charity Number: 1132411

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

CONTENTS OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

| Contents | Page |
|------------------------------------|-------------|
| Report of the Trustees | 1 - 3 |
| Report of the Independent Auditors | 4 |
| Statement of Financial Activities | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 - 10 |

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2012

The trustees present their report with the financial statements of the charity for the year ended 31 December 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1132411

Principal address

6th Floor
233 High Holborn
London
WC1V 7DN

Trustees

Marcelle Speller (Chairman)

Sylvia Brown

Richard Coundley

Hamish Mackenzie

Tracey Reddings

David Robinson

Catherine Zennstrom

Appointed 25 June 2013

Appointed 16th April 2013; Resigned 7th May 2013

Appointed 29th October 2013

Resigned 29th October 2013

Auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Latham and Watkins
99 Bishopsgate
London
EC2M 3XF

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is constituted and managed in accordance with the trust deed of 20 October 2009 as amended on 16 January 2013.

Recruitment and appointment of new trustees

New trustees of the charity are appointed by resolution of existing trustees and sign a declaration of willingness to act. The Trust deed allows for minimum of three trustees.

Induction and training of new trustees

New trustees are introduced and receive management information from Localgiving.com and meet with staff to learn about the operations of the charity. Trustee meetings are in general held at the Localgiving.com offices to give trustees a chance to speak first hand to those implementing the plans.

Organisational structure

The charity has a board of trustees and manages all operations via Localgiving.com. Decisions are made at Trustee meetings which occur quarterly.

Related parties

The Localgiving Foundation owns 50% of the called up share capital of Localgiving.com Limited. The Chairman of the Localgiving Foundation, Marcelle Speller, and one of the Trustees, Richard Coundley, are also directors of Localgiving.com Limited.

Localgiving.com Limited 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.com Limited.

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 relies on Localgiving.com's technology to receive donations and operate grant programmes. Localgiving.com provides a quarterly operations risk review related to the processing of grants to beneficiary local charities and community groups; the validation of these groups to be able to receive funds and the website infrastructure to deliver the platform. Management information related to the performance and sustainability of Localgiving.com is received quarterly and Localgiving.com is required to have an internal controls audit once per annum.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Vision: The charity seeks to support local charities and democratise giving throughout the UK.

Mission: To use technology for online transactions and connect donors to as many charities and community organisations as possible. To work with other charitable organisations and individuals to achieve this.

Strategies: The charity aims to attract funding from organisations and individuals so that they can distribute the funds and support Localgiving.com.

Significant activities, achievements and performance

The charity was set up with the purpose of promoting local giving via the online fundraising platform Localgiving.com. In October 2012 the charity began to take donations and make grants through the platform itself.

During the year, the charity made grants to 139 local charities and voluntary organisations totalling £453,584 from funds donated by the public and a grant for match funding from the Office of Civil Society. A full list of grants awarded is available on request from the charity's registered office.

Public benefit

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

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL REVIEW

Income and expenditure

The charity received £625,188 in voluntary income in the year. This was made up of donations of £125,188 and a grant of £500,000.

From this income, grants of £453,584 were awarded. The charity had support costs related to grant payments of £3,323 and a further £3,600 governance costs.

Reserves of £164,770 were carried forward at the year end, represented by £83,435 restricted funds for future grant awards, £22,563 designated funds for future grant awards and £58,772 general funds.

Reserves policy

Voluntary income via online donations is designated to fund local charities advertised on the Localgiving.com platform. 2% of this income is redirected to reserves to cover any future support costs. The charity is also funded by donations from individuals.

At 31 December 2012 the Foundation had free reserves of £58,772.

FUTURE PLANS

The charity plans to continue promoting local giving via the online fundraising platform Localgiving.com.

TRUSTEES RESPONSIBILITY 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, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing 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 Charity (Accounts and Reports) Regulations 2008 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.

ON BEHALF OF THE BOARD:

M Speller

Chair of Trustees

Date: 13 March 2014

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of the Localgiving Foundation for the year ended 31 December 2012 on pages five to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees Responsibility Statement set out on page three, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2012 and of its incoming resources and application of resources 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees 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.

haysmacintyre

26 Red Lion Square
London
WC1R 4AG

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Date: 13 March 2014

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

| INCOME AND EXPENDITURE | | Total funds | | | | |
|--|--------------|--------------------------------|-----------------------------------|-----------------------------------|--|--|
| INCOMING RESOURCES | Notes | General Funds £ | Designated Funds £ | Restricted Funds £ | Year ended 31/12/12 £ | Year ended 31/12/11 £ |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | 2 | 61,000 | 64,188 | 500,000 | 625,188 | - |
| Investment income | 3 | 88 | - | - | 88 | - |
| Total incoming resources | | <u>61,088</u> | <u>64,188</u> | <u>500,000</u> | <u>625,276</u> | <u>-</u> |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | | | | | | |
| Grants awarded | 4 | - | 40,342 | 416,565 | 456,907 | - |
| Governance costs | 5 | 3,600 | - | - | 3,600 | - |
| Total Resources Expended | | <u>3,600</u> | <u>40,342</u> | <u>416,565</u> | <u>460,507</u> | <u>-</u> |
| Net Incoming Resources Before Transfers | | 57,488 | 23,846 | 83,435 | 164,769 | - |
| Transfers | | | | | | |
| Transfers between funds | | 1,283 | (1,283) | - | - | - |
| Net movements in funds | | <u>58,771</u> | <u>22,563</u> | <u>83,435</u> | <u>164,769</u> | <u>-</u> |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>58,772</u></u> | <u><u>22,563</u></u> | <u><u>83,435</u></u> | <u><u>164,770</u></u> | <u><u>1</u></u> |

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2012

| | Notes | General Fund £ | Designated Fund £ | Restricted Fund £ | 2012 Total Funds £ | 2011 Total Funds £ |
|--|-------|-------------------|----------------------|----------------------|-----------------------|-----------------------|
| FIXED ASSETS | | | | | | |
| Investments | 7 | 1 | - | - | 1 | 1 |
| CURRENT ASSETS | | | | | | |
| Debtors | 8 | 417 | 23,243 | 83,435 | 107,095 | - |
| Cash at bank | | 61,955 | - | - | 61,955 | - |
| | | <u>62,372</u> | <u>23,243</u> | <u>83,435</u> | <u>169,050</u> | <u>-</u> |
| CREDITORS: amounts falling due within one year | 9 | (3,600) | (680) | - | (4,280) | - |
| NET CURRENT ASSETS | | <u>58,772</u> | <u>22,563</u> | <u>83,435</u> | <u>164,770</u> | <u>-</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 58,772 | 22,563 | 83,435 | 164,770 | 1 |
| CREDITORS: amounts falling due after more than one year | | - | - | - | - | - |
| NET ASSETS | | <u>58,772</u> | <u>22,563</u> | <u>83,435</u> | <u>164,770</u> | <u>1</u> |
| FUNDS | | | | | | |
| | 10 | | | | | |
| General funds | | | | | 58,772 | 1 |
| Designated funds | | | | | 22,563 | - |
| Restricted funds | | | | | 83,435 | - |
| TOTAL FUNDS | | | | | <u>164,770</u> | <u>1</u> |

The financial statements were approved by the Board of Trustees on 13 March 2014 and were signed on its behalf by:

M Speller
Chair of Trustees

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Charities Acts, Statement of Recommended Practice, Accounting and Reporting by Charities (revised 2005) the Financial Reporting Standard for Smaller Entities (April 2008), and in accordance with applicable accounting standards.

Incoming resources

Donations and grants are credited in the period in which the charity becomes entitled to them, and include related taxation recoverable.

Investment income

Interest on cash deposits is accounted for when receivable.

Resources expended

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 year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs are those associated with the governing of the charity not relating to fundraising, charitable activities or day to day management.

Taxation

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

Fund accounting

Unrestricted funds

These are funds which are expended at the discretion of the Trustees in furtherance of the objects of the charity.

Designated funds

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

Restricted funds are funds subject to specific trusts, which may only be expended in accordance with the conditions imposed by the donors.

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

| 2. VOLUNTARY INCOME | Year Ended 31/12/12 £ | Year Ended 31/12/11 £ |
|----------------------------------|--------------------------------------|--------------------------------------|
| Donations | 125,188 | - |
| Grants | 500,000 | - |
| | <u>£625,188</u> | <u>-</u> |
| | <u><u>£625,188</u></u> | <u><u>-</u></u> |
| 3. INVESTMENT INCOME | Year Ended 31/12/12 £ | Year Ended 31/12/11 £ |
| Deposit account interest | 88 | - |
| | <u>£88</u> | <u>-</u> |
| | <u><u>£88</u></u> | <u><u>-</u></u> |
| 4. CHARITABLE ACTIVITIES | Year Ended 31/12/12 £ | Year Ended 31/12/11 £ |
| Grants awarded to organisations | 453,584 | - |
| Support costs (transaction fees) | 3,323 | - |
| | <u>£456,907</u> | <u>-</u> |
| | <u><u>£456,907</u></u> | <u><u>-</u></u> |

Grants were awarded to a total of 139 organisations. A full list of grants awarded in the year is available on request from the charity's registered office.

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

| 5. GOVERNANCE COSTS | Year Ended 31/12/12 £ | Year Ended 31/12/11 £ |
|----------------------------|--|--|
| Auditors' remuneration | 3,600 | - |
| | <u>£3,600</u> | <u>-</u> |

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2012 nor for the period ended 31 December 2011.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2012 nor for the period ended 31 December 2011.

7. FIXED ASSET INVESTMENTS

The Localgiving Foundation owns 50% of the issued ordinary share capital of £2 of Localgiving.com Limited, a company registered in England and Wales (company number 07111208). Localgiving.com Limited operates a website allowing charitable donations to small charities and community groups.

A summary of the abbreviated accounts of Localgiving.com Limited is set out below.

| | Year Ended 31/03/13 £ | Year Ended 31/03/12 £ |
|--|--|--|
| Fixed Assets | | |
| Tangible assets | 2,626 | 497,482 |
| Current Assets | | |
| Debtors | 45,541 | 51,981 |
| Cash at bank and in hand | 29,241 | 82,791 |
| | <u>74,782</u> | <u>134,772</u> |
| Creditors: amounts falling due within one year | <u>120,593</u> | <u>147,767</u> |
| Net Current Liabilities | <u>(45,811)</u> | <u>(12,995)</u> |
| Total Assets less Current Liabilities | <u>(43,185)</u> | <u>484,487</u> |
| Creditors: amounts falling due after more than one year | <u>2,785,872</u> | <u>2,085,835</u> |
| Net Liabilities | <u>(2,829,057)</u> | <u>(1,601,348)</u> |
| Capital and Reserves | | |
| Called Up Share Capital | 2 | 2 |
| Profit and Loss Account | <u>(2,829,059)</u> | <u>(1,601,350)</u> |
| Shareholders' Funds | <u>(2,829,057)</u> | <u>(1,601,348)</u> |

LOCALGIVING FOUNDATION (Formerly known as the Ardbrack Foundation)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

| 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | Year Ended 31/12/12 £ | Year Ended 31/12/11 £ | |
|---|--------------------------------|----------------------------------|------------------------|
| Localgiving.com Limited | 98,115 | - | |
| Accrued income | 8,980 | - | |
| | <u>£107,095</u> | <u>-</u> | |
| | <u><u>£107,095</u></u> | <u><u>-</u></u> | |
| 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 2013 £ | 2012 £ | |
| Accrued expenses | 4,280 | - | |
| | <u>£4,280</u> | <u>-</u> | |
| | <u><u>£4,280</u></u> | <u><u>-</u></u> | |
| 10. MOVEMENT IN FUNDS | At 1/1/12 £ | Net Movement In funds £ | At 31/12/12 £ |
| Unrestricted funds | | | |
| General fund | 1 | 58,771 | 58,772 |
| Designated funds – grant making | - | 22,563 | 22,563 |
| Restricted funds | | | |
| Restricted funds – grant making | - | 83,435 | 83,435 |
| TOTAL FUNDS | <u>£1</u> | <u>£164,769</u> | <u>£164,770</u> |
| | <u><u>£1</u></u> | <u><u>£164,769</u></u> | <u><u>£164,770</u></u> |

Designated funds for grant making represent online donations which will be used to make grants to local charities.

Restricted funds represent money received from the Office for Civil Society to operate a match giving scheme. The balance of this fund will be used to award match giving grants to local charities.

11. RELATED PARTY DISCLOSURES

The Localgiving Foundation owns 50% of the called up share capital of Localgiving.com Limited. The Chairman of the Localgiving Foundation, Marcelle Speller, and one of the Trustees, Richard Coundley, are also directors of Localgiving.com Limited.

Localgiving.com Limited 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.com Limited.

During the year, £64,188 in online donations and £500,000 in grant funding was received by Localgiving.com Limited on behalf of Localgiving Foundation. Localgiving.com Limited paid out £453,584 in grants to local charities and recharged £3,323 in transaction fees. At 31 December 2012, Localgiving.com Limited owed £98,115 to the Localgiving Foundation, representing online donations and grants received not yet awarded as grants to local charities.