



Localgiving

Foundation

Trustees' report and audited financial statements

For the year ended 31 March 2016

Registered Charity Number: 1132411

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1. Trustees' Report

The trustees present their report with the financial statements of the charity for the 12 month period ended 31 March 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in accordance with the Financial Reporting Standards for Smaller Entities (FRSSE) effective 1st January 2015.

Reference and administrative details

Charity name

Localgiving Foundation

Registered charity number

1132411

Principal address

6th Floor
233 High Holborn
London
WC1V 7DN

Trustees

Marcelle Speller (Chairman)
Sylvia Brown
Richard Coundley
Kathrin Dunn
Tracey Reddings
David Robinson

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

Latham and Watkins
99 Bishopsgate
London
EC2M 3XF

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 five 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 trustee 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 planning and major operational 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 are responsible for reporting back to the charity regularly on its financial position and progress against business plan.

The staff of the subsidiary, which include a Senior Management Team, are responsible for the day-to-day management of the subsidiary and implementing plans and activities. The CEO of the subsidiary sits on the Board of Directors and Senior Management Team has regular 1:1 meetings with the Chairman at which he/she has 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 4 key functions: Technology Development, Charity Engagement, Marketing & Communications 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 with 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 no 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 take effect in April. The committee is made up of Chairman, CEO and Finance Director, all from the board of directors of Localgiving Ltd. At least one director is a non-executive. 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 2016 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, Marcelle Speller, and one of the trustees, Richard Coundley, are also directors 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 onto 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 have further broadened our incentivised giving programme by trialling yet another two variations of match fund campaign. The increased diversity in campaigns has meant we can begin to compare the effectiveness of each type.

Grow Your Tenner 2015

In October 2015 we ran our fourth Grow Your Tenner campaign and the second UK-wide iteration of the campaign.

- £631,245 raised
- 899 groups participated
- 10,551 members of the public donated

Grow Your Tenner generates the most amount of funds for participating charities and also has the highest participation levels. It is a key driver of value monthly donations to our members and so we intend on continuing to improve this campaign next year. This year the match fund pot ran out much faster than previous years (11 days, 3 times as fast as 2014), which meant some charities did not have the chance to mobilise in time to benefit from the match funding.

Our aim is to be able to announce the campaign earlier next year to help groups plan their fundraising. We are also aiming to increase the size of the match fund pot to over £250k and setting up the campaign to last for longer.

"Localgiving's Grow your Tenner campaign offers scope for very local, small, groups to augment their income in a time- and tax-efficient way."

"This is a great campaign which will definitely encourage many more donations for local charities!"

Grow Your Tenner 2015 Donors

#GiveMe5 on Giving Tuesday

We ran our third #GiveMe5 campaign on Giving Tuesday in December 2015 and saw dramatic improvement across our key campaign objectives:

- £36,449 was raised and continues an iterative increase each time we have run a #GiveMe5.
- 50% increase on groups benefiting between Spring campaign and the December campaign. 548 groups participated which was considerably higher than the February 2015 #GiveMe5 (365).
- 15% increase in number of supporters taking part between Spring campaigns and December campaign.

Donor feedback from the campaign was on the whole positive, however, we picked up feedback that suggested we could have improved communication of the randomised nature of the campaign in the rules.

"#GiveMe5 is a great idea for raising awareness with an added touch of excitement too" -

#GiveMe5 Donor

#LocalHero

We designed our first 'competition' match fund campaign and aimed it at encouraging fundraisers ('local heroes') to raise funds for local charities during June 2015. Prizes were given to the fundraising pages that attracted the most donors. Results showed that we achieved a significant uplift in desired activity through fundraising pages:

- £80,499 was raised
- 268 fundraisers took part
- 161 groups were being fundraised for
- 2,576 members of the public donated

We also had the campaign sponsored by an investment management consultancy, Nutmeg; and received endorsement from David Putnam who produced a film of the same name as our campaign – Local Hero in 1983.

We were happy with the campaign pilot and intend to repeat next year, except moving the month of the campaign to April, more in line with fundraising season.

#LocalHero winner, raised £2,313 from 157 donors for a skydive. His chosen charity was Ability Dogs 4 Young People IOW.

"(The charity) were instrumental in getting me set up online. I really didn't want to go round asking people to sponsor me but with the Localgiving link I could tell people the details then it was up to them if they wanted to go ahead...the #LocalHero Leaderboard definitely helped in spreading the word - having the possibility of getting an extra £1,000 really inspired everybody"

Christmas Top 40

Our second new 'competition' type match fund focussed on giving charities the skills to run limited-time appeals via our recently added appeal page functionality.

- £28,015 raised
- 70 charity appeals participated
- 456 members of the public donated

In fact, we had one appeal for Calderdale Flooding on boxing day which raised more than £250k for the flash flooding in Calderdale. This has been removed from official results due to skewing nature, but does give an idea of how effective a charity appeal can be.

Learnings

Grow Your Tenner is the comfortably the most popular match fund, however it also requires substantial levels of funding which can be difficult to obtain.

Randomised match funds (i.e. #GiveMe5) produce the most value of donations per £1 of match funding and raise the most on average over 24 hours. However, the element of 'chance' can result in mixed donor sentiments.

We found that trialling the competitions (#LocalHero and Christmas Top 40) provided excellent leverage for a programme funder as relatively small amount of match funding drives high numbers of donations. However, the engagement from supporters and charities is typically lower. This may suggest that there is a need for further training of charities.

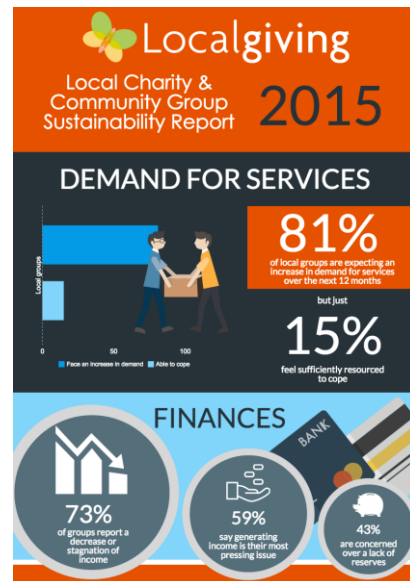
Future plans

We intend to use the data we have built up on various types of match fund campaign to publish a research report in order to help ourselves and others understand the impact of different variations of match fund campaign.

We are also committed to piloting a new type of match fund campaign.

Advocacy

During the year, Localgiving published its first research report on the state of the voluntary sector, called the Local Charity & Community Group Sustainability Report.



Learnings

The report's findings highlighted a number of key areas of concern for the local voluntary sector. These findings helped us to engage with press, funders and government. This helped to secure funding for Localgiving's activities, including match funds and regional development programmes. In addition, the report helped to inform government policy to increase support for local charities and community groups.

Future plans

We plan on doing a follow-up Sustainability Report to assess the status of the sector and track changes over time. Our aim is for the report to enable us to continue to engage with government as a key stakeholder and build strong relationships with funders that are interested in supporting local charities. In addition, our aim is for the report to help us gain national and sector press coverage to raise awareness of Localgiving amongst our key market and drive charity recruitment.

"Localgiving's own Local charity and community group sustainability report, 2015, was one key component in our review of the sector and discussion with sector representatives which have informed our approach."

Jamie Burton, Ministerial Stakeholder Engagement Manager, DCMS

Regional development programmes

Following a successful pilot of the North Yorkshire regional development programme, we have decided to extend to programme into other regions of the UK. There is a long term aspiration to be running up to 6 programmes in different regions of the UK concurrently within the next 2 years. We have been making good progress so far.

During the year, four programmes were in progress:

1. **Northern Ireland** – working in partnership with the Community Foundation for Northern Ireland. The aim of the programme is to support organisations to develop new skills and diversify their income in light of the recent funding cuts.
2. **Scotland** – thanks to funding from Foundation Scotland, Big Lottery Scotland and Robertson Trust, 50 groups in Scotland are being supported.
3. **North West** – thanks to funding entirely from the People's Postcode Lottery Local Trust, the programme focussed on supporting 75 environmental groups across the North West of England.
4. **B&NES** - working in partnership with St John's Hospital in Bath to support 70 groups in Bath & North East Somerset.

Learnings

It is already clear from running multiple programmes that there is huge benefit in developing communication between the programme leads. They have all been very proactive and shared tips and experiences from how they have been running their programmes. This interaction is vital to ensure that we can make improvements to the service provided through our regional development model.

During the North Yorkshire pilot campaign, we learnt that delivering match funding on a group-by-group basis as opposed to in one campaign for the whole programme suited the differing needs of groups and was therefore used more effectively to help each group drive donations and new donors.

Case Study

The Principal Trust

The Principal Trust offers disadvantaged and deprived children the chance of a holiday at the seaside. The group first came into contact with online fundraising when a supporter took part in a sponsored challenge to raise funds for the organisation. However, they had never considered implementing a full online fundraising strategy until they joined Localgiving in 2012. Through the one-to-one support and training workshops provided by the Localgiving Coordinator the charity has now dedicated more time to fundraising online and has raised over £8,000 through Localgiving in the past 2 years.

Cherry Bugler, Development Manager at The Principle Trust said, *"We are so pleased that we signed up to the initiative as Localgiving provided us with a platform to reach our supporters. Working with Localgiving and participating in their workshops has helped us to utilise the site to our full advantage, allowing us to raise thousands of pounds and much needed awareness of The Principle Trust. The funds raised have been used towards the purchase of three luxury holiday homes and have provided over 320 disadvantaged children in North Yorkshire some well-deserved respite and enjoyment."*

Future plans

Our key goal for next year is to establish a 'double' programme across North and South Wales for two years.

We also have partial funding for a programme in London and are aiming to secure the remaining funding needed by midway through next year.

We will next now focus on the delivery side of the programmes which are underway and set up processes and procedures to manage multiple programmes at once.

Online fundraising technology

Localgiving has continued to invest in improving its fundraising platform this year. We have implemented significant improvements to the platform's front-end, made it easier to keep content up-to-date on the website and optimised its online giving journey:

- Improved platform front-end look and feel - this included improved accessibility and allowed us to introduce a more sophisticated content management system (see below) and better technology development tools in the back end of our platform.
- Introduced a more sophisticated content management system (CMS) – this allows different users to make updates to the public facing part of the platform and update our resources for members faster. This saves time and means that platform content is more up-to-date.
- New blog – importantly this allows us to introduce guest bloggers who can help generate more reach for our advocacy.
- Optimisation of donation flow – used data and feedback to make some optimisations to the online process for making one-time and monthly donations. We expect this to increase conversions of prospective donors starting to make donations as well as encouraging more engagement of the donor with the recipient local charity member.

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

A new goal is in place to focus on ensuring that the codebase for the platform is optimised for faster development. This means investing some more time in the platform architecture as well as new products and features.

We intend on significantly increasing our membership over the coming years and therefore will be making it easier for new members to join by improving the online sign-up flow.

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, hand-ons and diverse support mix.

This year saw extra support channels being established over and above our high level of customer support. These included converting the pilot of workshop training into a structured programme, trialling drop-in one-on-one sessions.

- The team undertook training in fundraising consultancy in order to ensure our service stays relevant and effective.
- Email support has continued to receive high satisfaction rating (98%) from members and stakeholders calling in for support. Satisfaction is down to fast response rates to issues.
- Deliver one-to-one support to 54 charities and delivered 7 fundraising training webinars which saw nearly 350 signups in total.

Learnings

Building relationships with CVSs and other third sector organisations provides access to more local charities and community groups to in to deliver training to and also to provide location to hold workshops.

Future plans

There are a number of future initiatives that the team plan on implementing or trialling in the coming year in order to improve further the mix of support we offer our members in combination with other activities we do.

We intend on using our regular interaction with members to feedback ideas for technology product improvements.

We also intend on integrating webinar training into the Incentivised Giving programme in order to provide relevant training around attracting new donors for instance.

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.

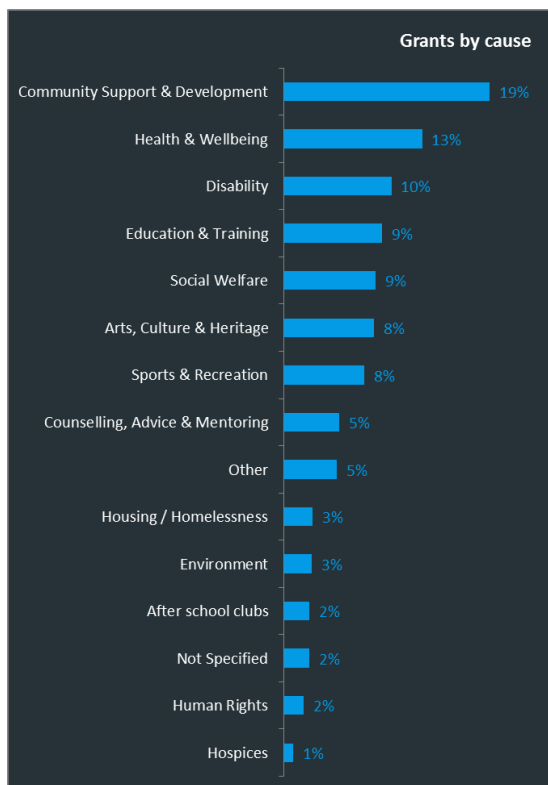
The group received £3,008,335 in voluntary income during the year. This was made up of donations of £2,709,375 and grants of £298,960.

Donations and grants were received from the following sources:

Donor / Funder	£
Foundation Scotland	15,000
Big Lottery Scotland	10,000
St John's Hospital	40,000
People's Postcode Lottery	96,364
Online donors	2,050,406
Individuals	796,565
	3,008,335

From this income grants of £2,160,982 were awarded. The group had support costs related to grant payments of £21,351.

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 £205,414 were carried forward at the end of the year, represented by £193,368 restricted funds for future grant awards, £95,858 designated funds for future grants awards and -£83,812 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.

At 31st March 2016 the group had a deficit of £83,812 on its free reserves. The deficit was due to a £100,000 donation being received post-year end, later than anticipated (see Note 13). 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 operations 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 £3,004 was on behalf of other foundations.

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, 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.

On behalf of the board:

M Speller

Chair of Trustees

Date: 31 January 2017

2. Independent auditor's report

We have audited the financial statements of the Localgiving Foundation for to the year ended 31 March 2016 as set out on pages twelve to twenty-three. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (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.

This report is made solely to the charity's trustees, as a body, in accordance with Section 151 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 nine, the trustees 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 auditors under Section 151 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 group and 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 group and charity's affairs as at 31 March 2016 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
- adequate 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.

Goodman Jones LLP

Statutory Auditors
29/30 Fitzroy Square
London
W1T 6LQ

Goodman Jones is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Date: 31 January 2017

3. Consolidated statement of financial activities

Incorporating income and expenditure

					Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/16 £	Year ended 31/03/15 £
Income from:						
Donation and legacies	2					
Donations		608,969	2,050,406	50,000	2,709,375	2,194,794
Grants		137,596	-	161,364	298,960	364,160
Charitable activities	3	180,320	-	-	180,320	149,680
Investments	4	6	-	-	6	85
Total		926,891	2,050,406	211,364	3,188,661	2,708,719
Expenditure on:						
Raising funds	5	2,967	-	-	2,967	-
Charitable activities	6					
Grants awarded		193,033	1,973,135	16,166	2,182,334	1,850,790
Localgiving website		927,250	-	20,988	948,238	986,735
Governance		7,200	-	-	7,200	9,093
Total		1,130,450	1,973,135	37,154	3,140,739	2,846,618
Net Income		(203,559)	77,271	174,210	47,922	(137,899)
Transfers between funds	13	100,552	(110,068)	9,516	-	-
Other recognised gains/(losses):						
Other gains/(losses)		-	-	-	-	-
Net movements in funds		(103,007)	(32,797)	183,726	47,922	(137,899)
Reconciliation of funds:						
Total funds brought forward		19,195	128,655	9,642	157,492	295,391
Total funds carried forward	13	(83,812)	95,858	193,368	205,414	157,492

4. Charity statement of financial activities

Incorporating income and expenditure

						Total funds	
						Year ended 31/03/16 £	Year ended 31/03/15 £
	Notes	General Funds £	Designated Funds £	Restricted Funds £			
Income from:							
Donation and legacies	2						
Donations		608,969	2,050,406	50,000	2,709,375		2,194,794
Grants		-	-	161,364	161,364		121,604
Charitable activities	3	-	-	-	-		-
Investments	4	30,072	-	-	30,072		19,303
Total		639,041	2,050,406	211,364	2,900,811		2,335,701
Expenditure on:							
Raising funds	5	2,967	-	-	2,967		-
Charitable activities							
Grants awarded		221,784	2,060,461	37,154	2,319,399		1,925,579
Localgiving website		-	-	-	-		-
Governance		7,200	-	-	7,200		9,093
Total		231,951	2,060,461	37,154	2,329,566		1,934,672
Net Income		407,090	(10,055)	174,210	571,245		401,029
Transfers between funds		13,226	(22,742)	9,516	-		-
Other recognised gains/(losses):							
Other gains/(losses)		(541,065)	-	-	(541,065)		(549,218)
Net movements in funds		(120,749)	(32,797)	183,726	30,180		(148,189)
Reconciliation of funds:							
Total funds brought forward		61,207	128,655	9,642	199,504		347,693
Total funds carried forward		(59,542)	95,858	193,368	229,684		199,504

5. Consolidated balance sheet

						Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/16 £	Year ended 31/03/15 £	
Fixed Assets:							
Tangible fixed assets	9	4,237	-	-	4,237	4,007	
Investments	10	-	-	-	-	-	
Total fixed assets		4,237	-	-	4,237	4,007	
Current assets:							
Debtors	11	79,709	95,858	67,096	242,663	249,484	
Cash at bank and in hand		(67,712)	-	132,683	64,971	31,512	
Total current assets		11,997	95,858	199,779	307,634	280,996	
Liabilities:							
Creditors: Amounts falling due within one year	12	(100,046)	-	(6,411)	(106,457)	(127,511)	
Net current assets		(88,048)	98,858	193,368	201,177	153,485	
Total assets less current liabilities		(83,812)	95,858	193,368	205,414	157,492	
Creditors: amounts falling due after more than one year		-	-	-	-	-	
Total net assets		(83,812)	95,858	193,368	205,414	157,492	
Funds:							
General funds	13				(83,812)	19,195	
Designated funds					95,858	128,655	
Restricted funds					193,368	9,642	
Total funds					205,414	157,492	

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 Charity.

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 31 January 2017 and were signed on its behalf by:

M Speller
Chair of Trustees

6. Charity balance sheet

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Total funds	
					Year Ended 31/03/16 £	Year ended 31/03/15 £
Fixed Assets:						
Investments	10	5	-	-	5	4
Total fixed assets		5	-	-	5	4
Current assets:						
Debtors	11	31,669	95,858	67,096	194,623	196,477
Cash at bank and in hand		(82,927)	-	132,683	49,756	20,871
Total current assets		(51,258)	95,858	199,779	244,379	217,348
Liabilities:						
Creditors: amounts falling due within one year	12	(8,289)	-	(6,411)	(14,700)	(17,848)
Net Current Assets		(59,547)	95,858	193,368	229,679	199,500
Total assets less current liabilities		(59,542)	95,858	193,368	229,684	199,504
Creditors: amounts falling due after more than one year		-	-	-	-	-
Net assets		(59,542)	95,858	193,368	229,684	199,504
Funds:						
General funds					(59,542)	61,207
Designated funds					95,858	128,655
Restricted funds					193,368	9,642
Total funds					229,684	199,504

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 Charity.

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 31 January 2017 and were signed on its behalf by:

M Speller
Chair of Trustees

7. Notes to the financial statements

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 Act 2011, Statement of Recommended Practice, Accounting and Reporting by Charities (revised 2015), the Financial Reporting Standard for Smaller Entities (effective January 2015), and in accordance with applicable accounting standards.

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.

Incoming resources

All incoming resources are included in the SOFA when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Voluntary income by way of 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 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 project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

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.

Governance costs

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

Notes to the financial statements

Accounting policies (continued)

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.

Business Systems – 20% on cost

Office Equipment – 30% on cost

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 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Donations	2,709,375	2,194,794	2,709,375	2,194,794
Grants	298,960	364,160	161,364	121,604
	3,008,335	2,558,954	2,870,739	2,316,398

In 2015, income from donations and legacies related to the following funds:

Group: £900,556 was to general funds, £1,586,794 was to designated funds and £71,604 was to restricted funds.

Charity: £658,000 was to general funds, £1,586,794 was to designated funds and £71,604 was to restricted funds.

3. Income from charitable activities

	Group		Charity	
	Year ended 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Localgiving website income	180,320	149,680	-	-
	180,320	149,680	-	-

In 2015, income from charitable activities related to the following funds:

Group: £149,680 was to general funds.

Charity: £0

4. Investment income

	Group		Charity	
	Year ended 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Deposit account interest	6	85	6	85
Interest on loan to subsidiary	-	-	30,066	19,218
	6	85	30,072	19,303

In 2015, investment income related to the following funds:

Group: £85 was to general funds.

Charity: £19,303 was to general funds

Notes to the financial statements

5. Raising funds

	Group		Charity	
	Year ended 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Event	2,967	-	2,967	-
	2,967	-	2,967	-

In 2015, the total expenditure on raising funds related to the following funds:

Group: £0

Charity: £0

6. Charitable activities

	Group				
	Activities undertaken directly 31/03/16 £	Grant funding of activities 31/03/16 £	Support costs 31/03/16 £	Total Year ended 31/03/16 £	Total Year ended 31/03/15 £
Grants awarded to organisations	-	2,160,983	21,351	2,182,334	1,850,790
Localgiving website	948,238	-	-	948,238	986,735
Governance costs	-	-	7,200	7,200	9,093
				3,137,772	2,846,618

	Charity				
	Activities undertaken directly 31/03/16 £	Grant funding of activities 31/03/16 £	Support costs 31/03/16 £	Total Year ended 31/03/16 £	Total Year ended 31/03/15 £
Grants awarded to organisations	-	2,210,722	108,677	2,319,399	1,925,579
Governance costs	-	-	7,200	7,200	9,093
				2,326,599	1,934,672

Grants were awarded to a total of 1,371 (2015 - 1,344) organisations. The average grant made during the year was £1,576 (2015 - £1,080). A full list of grants awarded in the year is available from the Foundation's registered office.

Auditors' remuneration was £7,200 (2015 - £9,093).

In 2015, of the total expenditure on charitable activities related to the following funds:

Group: £1,277,396 was from general funds, £1,478,441 was from designated funds and £90,781 was from restricted funds.

Charity: £290,661 was from general funds, £1,522,246 was from designated funds and £121,765 was from restricted funds.

Notes to the financial statements

7. Staff costs and trustee remuneration

	Group		Charity	
	Year ended 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Staff costs				
Wages & salaries	547,813	444,947	-	-
Social security costs	56,346	44,556	-	-
	604,159	489,503	-	-
Number of employees				
Charitable activities	15	14	-	-
	15	14	-	-

Included in the staff costs detailed above are gross salary costs of £92,982 (2015 - £61,988) and social security costs of £10,058 (2015 - £6,572) 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.

Trustees' remuneration and expenses

There was no trustees' remuneration or other benefits neither for the year ended 31 March 2016 nor for the period ended 31 March 2015. In addition, there were no trustees' expenses paid for the year ended 31 March 2016, nor for the period ended 31 March 2015.

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.

9. Tangible fixed assets

	Business systems £	Office equipment £	Total £
Cost			
At 01/04/2015	546,106	21,030	567,136
Additions	103,908	2,093	106,001
At 31/03/2016	546,106	21,030	567,136
Depreciation			
At 01/04/2015	546,106	17,023	563,129
Charge for period	9,518	1,863	11,381
Impairments	94,390	-	94,390
At 31/03/2016	546,106	17,023	563,129
Net book value			
At 31/03/2016	-	4,237	4,237
At 31/03/2015	-	4,007	4,007

No fixed assets are held by the charity.

Notes to the financial statements

10. Fixed Asset investments

The 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 cost and carrying value of this investment as at 31 March 2015, and 31 March 2014, was £4.

This shareholding was increased from 80% to 100% on 28 October 2015 by the acquisition of 1 ordinary share of £1 each by the Localgiving Foundation.

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

11. Debtors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Trade debtors	12,993	4,958	-	-
Other debtors	32,725	22,247	-	-
Localgiving Ltd Client's account	111,165	161,237	111,165	161,237
VAT recoverable	-	1,581	-	-
Prepayments and accrued income	85,780	59,461	83,458	35,240
	242,663	249,484	194,623	196,477

12. Creditors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/16 £	Year ended 31/03/15 £	Year ended 31/03/16 £	Year ended 31/03/15 £
Bank loans and overdrafts	-	-	-	-
Trade creditors	4,986	12,532	7,499	3,109
Social Security and other taxes	22,555	14,919	-	-
Other creditors	57	18,193	1	7,539
Accrued expenses	10,053	9,991	7,200	7,200
Deferred income	68,806	71,876	-	-
	106,457	127,511	14,700	17,848

In 2016, deferred income increased by £7,466 to £68,806 (2015 – by £10,536 to £61,340). 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 increasing, the deferred income liability has also increased.

Notes to the financial statements

13. Movement in funds

	At 01/04/15	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/16
	£	£	£	£	£
Unrestricted funds					
General fund	19,195	926,891	(1,130,450)	100,552	(83,812)
Designated fund – online donations	128,655	2,050,406	(1,973,135)	(110,068)	95,858
Restricted funds					
Office of Civil Society Matching Fund	(8,120)	-	-	8,120	-
Sowerby Foundation Grant	17,762	-	(19,743)	(1,396)	(585)
Scotland Development	-	25,000	(13,682)	(12,682)	12,318
London Development	-	50,000	-	-	50,000
B&NES Development	-	40,000	(415)	-	39,585
North West Development	-	96,364	(4,314)	-	92,050
	9,642	211,364	(16,166)	9,516	193,368
Total funds	157,492	3,188,661	(3,140,739)	-	205,414

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. The balance was cleared in May 2016 when the donation was received.

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

Office of Civil Society Matching Fund (restricted) represents a Cabinet Office grant to match online donations to local charities in England. The brought fund was overdrawn in 2015 and funds were transferred from the general funds during the year to clear the deficit fund balance.

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.

14. Operating lease commitments

At 31 March 2016 the Group was committed to making annual payments of £50,250 (2015 - £33,500) under non-cancellable operating leases in respect of land and buildings which expires within two – five years (2015 – one year).

Notes to the financial statements

15. Related party disclosures

The Localgiving Foundation owns 100% of the called up share capital of Localgiving Ltd. During the year, the charity increased its shareholding in Localgiving Ltd to 100% as disclosed in note 10. The Chairman of the Localgiving Foundation, Marcelle Speller, 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, £2,050,370 (2015 - £1,586,794) in online donations and £189,499 (2015 - £283,000) in grant funding was received by Localgiving Ltd on behalf of Localgiving Foundation. Localgiving Ltd paid out £2,150,982 (2015 - £1,451,334) in grants to local charities and recharged £87,325 (2015 - £27,107) in transaction fees. At 31 March 2016 Localgiving Ltd owed £111,165 (2015 - £161,237) 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 £1,731,000 (2015 - £1,220,000) was owed to Localgiving Foundation plus accrued interest of £58,347 (2015 - £28,282). This balance is fully provided for in the Charity statement of Financial Activities and the provision for the year was £541,065 (2015 - £549,218).

16. Controlling party

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

