



**Trustees' report and audited financial statements**

**For the year ended 31 March 2015**

Registered Charity Number: 1132411

Contents	Page
1. Trustees' report	1 – 9
2. Report of the independent auditors	10 - 11
3. Consolidated statement of financial activities	12
4. Consolidated balance sheet	13
5. Charity balance sheet	14
6. Notes to the financial statements	15 – 21

# 1. Trustees' Report

The trustees present their report with the financial statements of the charity for the 12 month period ended 31 March 2015. 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**

6<sup>th</sup> Floor  
233 High Holborn  
London  
WC1V 7DN

**Trustees**

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

Appointed 8<sup>th</sup> May 2014

**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.

Trustees are encouraged to take part in an away day where they will be able to engage with one or more of the beneficiaries that the charity supports. Trustees also spend time at the office of the subsidiary (Localgiving.com Limited) in order to familiarise themselves with the direct activities of the group and meet members of staff.

## 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.

Planning and major operational decisions are taken by the board of directors of the subsidiary, which carries out many of the charity's activities directly and facilitates its online grant-making. This includes reviewing risk management, key activities or projects and performance against objectives. At least one representative from the subsidiary's other charity shareholder and partner, UK Community Foundations is present at all Board of Director meetings. The directors of the subsidiary meet regularly (6 times per year).

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 who sits on the Board of Directors and Senior Management Team has regular 1:1 meetings with the Chairman of the charity at which he/she has the opportunity to raise any

immediate issues that require strategic guidance. The Senior Management Team maintains regular weekly management meetings to track success, 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.

## Related parties

As at 31<sup>st</sup> March 2015 the charity owns 80% of the called up share capital in Localgiving.com Limited (the subsidiary). Localgiving.com Limited became a wholly owned subsidiary of the charity on 28<sup>th</sup> 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.

Localgiving Foundation delivers this through the following two main types of activity:

### (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 5 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. *Regulation* - providing a thorough charity validation process, ensuring that all organisations fundraising on the website meet charitable criteria and deliver a benefit in their local community.
- iv. *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.
- v. *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.

# Achievements and performance

## Match funds

This year we have sought to broaden our incentivised giving (Match funding) programme. As well as our annual Grow Your Tenner campaign, Localgiving have run three randomised match funding campaigns: Triple Tenner Tuesday and two #GiveMe5 campaigns.

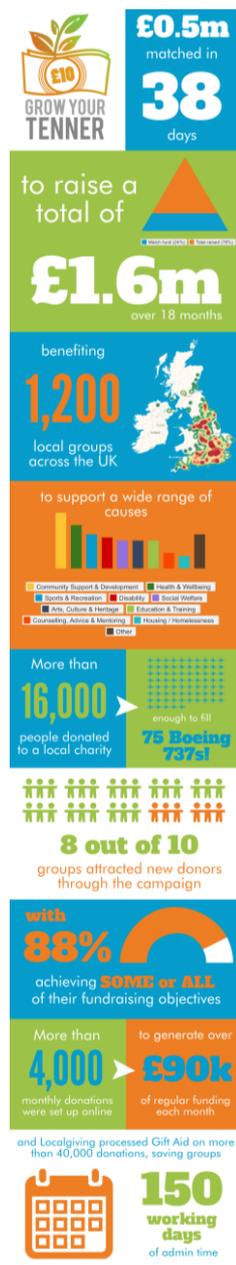
## Grow Your Tenner 2014

2014 saw us both expanding and refining our flagship match funding campaign, Grow Your Tenner. Grow Your Tenner 2014 comprised of funding from two sources: The Cabinet Office's Office of Civil Society (OCS) and a private philanthropist. This was the third consecutive year that OCS had provided a match fund grant.

Grow Your Tenner 2014 was the first time that Grow Your Tenner was available to local charities and community groups across the whole of the UK, not just in England. As well as the main match fund, simultaneous local match funds were implemented that were used to "match-the-match" in the county of Berkshire and in the district of Calderdale thanks to funding from Berkshire Community Foundation and the Community Foundation for Calderdale respectively.

Grow Your Tenner 2014 ran from 14th October to 21st November 2014. The campaign matched one-time donations up to £10 and regular monthly donations up to £10 for six months. This campaign:

- Raised a total of £1,300,515. This was distributed to 1,188 groups. 88% of participating charities felt the campaign was a success achieving some or all of their fundraising objectives.
- Produced £2.98 of funding into the sector for every £1 injected by OCS, compared with £2.83 of funding from the 2013 campaign.
- Attracted 29,490 one-time online donations.



- Raised awareness of local charities and community organisations. Over 16,000 individuals made donations
- Addressed the shortfall of Direct Debits set up in 2013 by setting a high maximum limit of £10,000 on charities for such donations (comparing favourably with a limit of £2,000 for one-time donations), along with a six-month match. During Grow Your Tenner 2014, 4,040 direct debit donations were set up, just over 1,000 more than the previous year's campaign. This is projected to produce a legacy of over £400k in the 18 months following the end of the campaign.

'Just to say thank you; really helps small charities establish an online fundraising presence; a fabulous scheme. Our charity has traditionally not seen the need for a better online presence... now it does - in large part thanks to Grow Your Tenner.'

*Beneficiary*

## Learnings

2014 was our first fully UK-wide Grow Your Tenner campaign. However, participation in Scotland and Northern Ireland was comparably low - just 23 charities participated. In Grow Your Tenner 2015, we will be looking to consolidate and expand on these achievements by stimulating further involvement in these areas and in quieter regions of England.

## Future plans

In both Northern Ireland and Scotland we will be establishing regional development programmes focused on training groups in digital skills and online fundraising.

## Randomised match funding campaigns

This year we have pioneered a number of new incentivised giving models. These have taken the form of 'randomised' matching i.e. the donations to be matched were chosen at random from donations made within a certain timeframe, rather than on a first-donate- first-matched basis. During these campaigns:

- 746 groups in total participated in at least one of the three randomised match funds. This is nearly 40% of the average membership base during all 3 campaigns.
- 61% of these groups took part in one campaign. 24% (177) took part in two campaigns and 15% (112) participated in all 3 campaigns.

### Triple Tenner Tuesday

Triple Tenner Tuesday was a 24 hour campaign that took place on 2nd December 2014, run as part of the global day of giving, #GivingTuesday. This campaign was supported by the Office of Civil Society. During this campaign:

- Localgiving tripled 1,000 X £10 donations (£20,000 fund)
- 583 groups together raised £75,801 in 24 hours

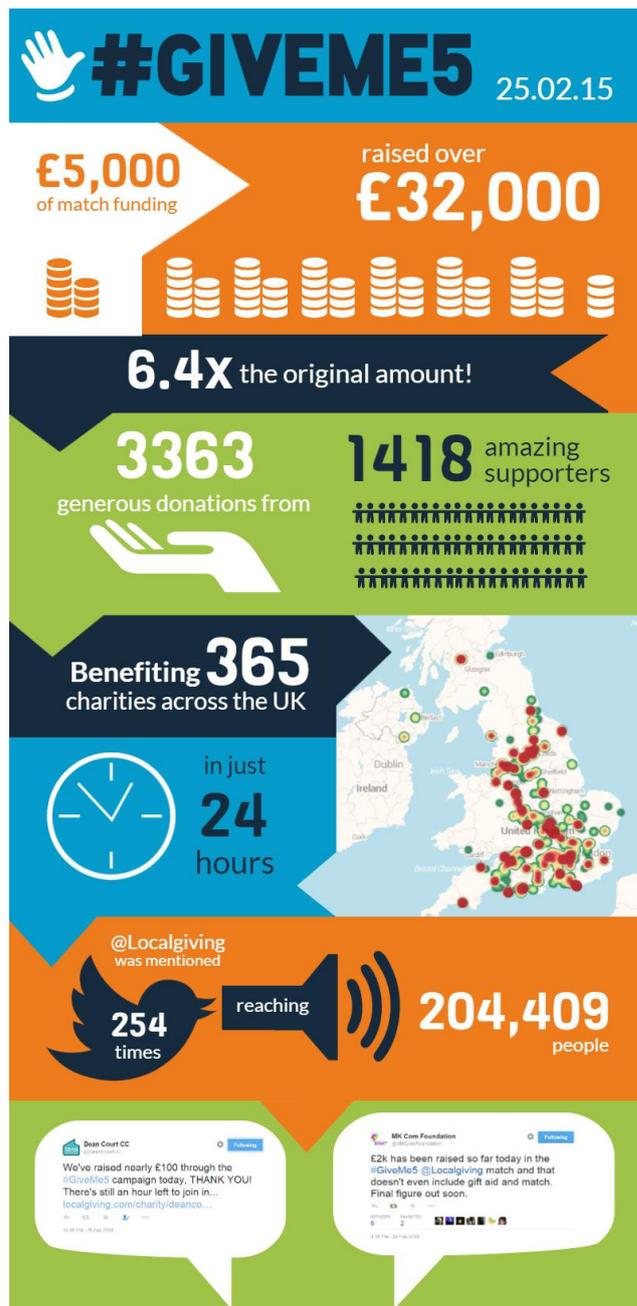
### #GiveMe5

Localgiving ran two 24 hour #GiveMe5 campaigns on 28th Jan & 25th Feb 2015. During these campaigns:

- Localgiving doubled 1,000 x £5 donations (£5,000 pot)
- In January 365 groups raised £25,823; in February 360 groups raised £32,193.

### Learnings

Both randomised match funding models proved successful - the random nature of the match did not significantly impact on how well it worked as an incentivising tool. Moreover, more was raised per pound invested than in Grow Your Tenner. However, further iterations will be necessary to fully test the efficacy of these models, potentially with larger participant samples and funding pots.



### Future plans

In the coming year we will be continuing to test and hone our randomised match fund models. We will also be exploring new, innovative models of incentivised giving, looking particularly at the idea of "competitive" giving and fundraising.

## Regional Development

This year has seen Localgiving expand its Regional Development Programme. These schemes deliver digital skills training designed to address the specific online fundraising requirements of local groups operating within a defined geographical region. Each programme is delivered by a locally based regional coordinator.

### North Yorkshire Regional Development Programme

In 2013 Peter Sowerby Foundation funded Localgiving to reach out to 100 rural charities and community groups in North Yorkshire and equip them with the digital skills to fundraise online. The funding was extended for a second year enabling us to build on our work. In our second year:

- A further 39 organisations joined Localgiving (bringing the total to 147 groups across North Yorkshire over the two years)
- We ran four match funding campaigns, two of which were specifically for North Yorkshire groups. These provided 74 groups with over £38,500 in match funding and helped to facilitate over 2,350 donations.
- 81% of our member organisations in North Yorkshire received online donations.
- We have delivered 19 workshops and developed 9 new training courses, providing digital skills and online fundraising training for 167 organisations. In total, over two years, we have delivered 33 workshops for 340 charity attendees.
- 95% of attendees stated that they felt more confident with fundraising or technology, 94% of attendees confirmed that they have implemented the new skills learnt from the training to their charity's work.

### Learnings

- It is important not to underestimate the support many local charities and community groups need to develop digital skills and build the confidence to approach the general public for support.
- Having had considerable disruption due to the loss of a regional coordinator, we are considering incentives for contract staff to stay in post until the end of programmes.
- We found charity recruitment more difficult in the second year, potentially due to the fact that we had engaged the majority of interested groups in the first year of the programme.

'We want to provide more sporting opportunities for people living in an isolated area and we've raised funds to equip our pavilion with permanent ramped, wheelchair friendly access. This means that everyone can visit us easily and have an enjoyable experience. Thank you to Peter Sowerby and other kind people to have helped us to achieve this.'

*Beneficiary*

### Future plans

- We will continue our work in North Yorkshire - offering subsidised Localgiving memberships and exclusive local match funds.
- We have teamed up with Community Foundation NI and the Big Lottery Fund to offer charities and community groups in Northern Ireland a training programme in digital skills and online fundraising. We are offering 200 fully subsidised Localgiving memberships and regular exclusive match-funding campaigns.
- We have funding for a Scotland based Regional Development Programme, which began in the third quarter of 2015/16.

## Online fundraising technology

Localgiving has implemented a number of changes to its online giving journey and improved the overall security of its service. Changes variously include:

- Easy donate - We have streamlined the donation journey by allowing the donors to donate without registering.
- Improved security for members - Improving website security, protecting ourselves and customer data from various potential outside threats.
- Developed a more sophisticated match-funding technology - Improvements in Match Fund process, allowing us to run new Match Fund models.
- Website responsivity - Improving the user journey across different screen sizes and mobile devices.
- Projects and Appeals pages - Allowing the groups to have improved individual project pages and new appeals pages.

*'Only wish we'd found out about Localgiving sooner and that we've now adopted it as our online fundraising site of choice.'*

*Beneficiary*

### Learnings

Over the last year we have made significant advances in our online fundraising and wider technological capacity - encountering and overcoming a number of obstacles along the way. The Projects and Appeals pages took longer to develop than originally projected. What was initially a basic redesign developed into something significantly wider in scope. As a result we have adopted an 'agile philosophy'. Rather than waiting to release final products, we now identify critical requirements in planning sessions and release it over time - improving and adding features after release.

### Future plans

We will continue to invest in technology and look to respond to customer and website user needs. This includes new ways of making online payments and investigating a specific crowdfunding initiative for our charity members.

## Advocacy, sector capacity building and support

Localgiving are always exploring ways to expand our advocacy activities, offering our members more services and benefits for their membership fee. Over the last year we have become increasingly vocal advocates for the local charity sector and will continue to support the sector in this way through activities such as:

- Engaging politicians, lobbyists, councillors and other politically influential figures with the issues facing the local charity sector.
- Stimulating and participating in sector related debate and dialogue - producing relevant blogs and articles, setting up workshops and conferences.
- Helping to facilitate a more cohesive and informed local charity sector by encouraging and providing the tools and space for information sharing and idea swapping.

A key service that has been vital to providing online fundraising tools to members is the individualised support in digital skills that we offer our members through our Help Desk. Over the year our Help Desk:

- Dealt with 5,519 support tickets (emails) with a customer satisfaction rating of 97%.
- Gained very positive qualitative feedback highlighting the speed, efficiency, knowledge and general positivity of our team.

*"It was as pleasure dealing with the staff who had to explain a lot to me. And it was an even bigger pleasure to find out that it worked! Thank you!"*

*Beneficiary*

# 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.

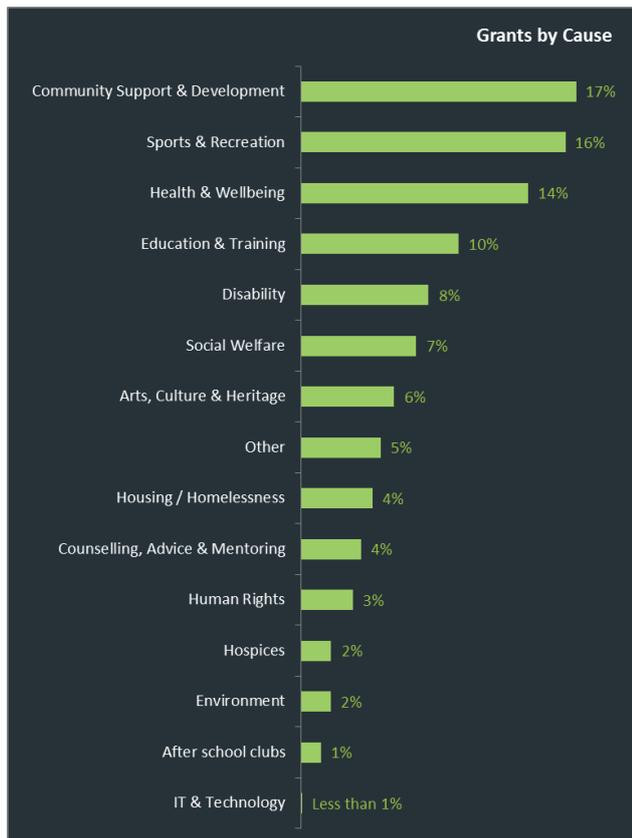
The charity received £2,558,954 in voluntary income during the year. This was made up of donations of £2,194,794 and grants of £364,160.

Donations and grants were received from the following sources:

Donor / Funder	£
Peter Sowerby Foundation	71,604
Online donors	1,586,794
Individuals	900,556
	<b>2,558,954</b>

From this income grants of £1,823,683 were awarded. The charity had support costs related to grant payments of £27,107.

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 £157,492 were carried forward at the end of the year, represented by £9,642 restricted funds for future grant awards, £128,655 designated funds for future grants awards and £19,195 in general funds.

Voluntary income via online donations is designated to fund local charities represented on Localgiving's online fundraising platform. 2% of this income is redirected to the general fund reserves to cover any future support costs. The charity is also generously funded by large donations from individuals.

At 31st March 2015 the charity had free reserves of £19,195.

Localgiving Foundation's level of free reserves is under continuous review by the trustees, in line with the charity's strategic plans.

## 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 review 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 website security once per year.

## Funds as agent

The charity 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 £25,118 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, Charity (Accounts and Reports) Regulations 2008 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 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: 27 January 2016

## 2. Independent auditor's report

We have audited the financial statements of the Localgiving Foundation for to the year ended 31 March 2015 as set out on pages twelve to twenty-one. 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.

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 eleven, 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 2015 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: ...th January 2016

## 3. Consolidated statement of financial activities

Incorporating income and expenditure

					Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/15 £	Period ended 31/03/14 £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	900,556	1,586,794	71,604	<b>2,558,954</b>	2,240,456
Investment income	3	85	-	-	<b>85</b>	415
<b>Incoming resources from charitable activities</b>	4	149,680	-	-	<b>149,680</b>	118,617
<b>Total incoming resources</b>		1,050,321	1,586,794	71,604	<b>2,708,719</b>	2,359,488
<b>Resources expended</b>						
<b>Charitable activities</b>						
Grants awarded	5	281,568	1,478,441	90,781	<b>1,850,790</b>	1,291,348
Localgiving website		986,735	-	-	<b>986,735</b>	639,420
<b>Governance costs</b>	6	9,093	-	-	<b>9,093</b>	6,900
<b>Total Resources Expended</b>		1,277,396	1,478,441	90,781	<b>2,846,618</b>	1,937,668
<b>Net Incoming Resources Before Transfers</b>		(227,075)	108,353	(19,177)	<b>(137,899)</b>	421,820
<b>Transfers</b>						
Transfers between funds	13	123,462	(76,040)	(47,422)	-	-
<b>Other recognised gains/losses</b>						
Waiver of loan		-	-	-	-	2,627,309
Goodwill write off		-	-	-	-	(875,553)
<b>Net movements in funds</b>		(103,613)	32,313	(66,599)	<b>(137,899)</b>	2,173,576
<b>Reconciliation of funds</b>						
Total funds brought forward	13	122,808	96,342	76,241	<b>295,391</b>	164,770
Share of deficit of subsidiary		-	-	-	-	(2,042,955)
<b>Total funds carried forward</b>	13	19,195	128,655	9,642	<b>157,492</b>	295,391

## 4. Consolidated balance sheet

	Notes				Total funds	
		General Fund £	Designated Fund £	Restricted Fund £	Year ended 31/03/15 £	Period ended 31/03/14 £
<b>Fixed Assets</b>						
Tangible fixed assets	9	4,007	-	-	<b>4,007</b>	4,894
Investments	10	-	-	-	-	-
<b>Current assets</b>						
Debtors	11	120,829	128,655	-	<b>249,484</b>	311,734
Cash at bank		11,222	-	20,290	<b>31,512</b>	87,377
		132,051	128,655	20,290	<b>280,996</b>	399,111
<b>Creditors:</b> amounts falling due within one year	12	(116,863)	-	(10,648)	<b>(127,511)</b>	(108,614)
<b>Net Current Assets</b>		15,188	128,655	9,642	<b>153,485</b>	290,497
<b>Total assets less total liabilities</b>		19,195	128,655	9,642	<b>157,492</b>	295,391
<b>Creditors:</b> amounts falling due after more than one year		-	-	-	-	-
<b>Net assets</b>		19,195	128,655	9,642	<b>157,492</b>	295,391
<b>Funds</b>	13					
General funds					<b>19,195</b>	122,808
Designated funds					<b>128,655</b>	96,342
Restricted funds					<b>9,642</b>	76,241
<b>Total funds</b>					<b>157,492</b>	295,391

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 April 2008).

The financial statements were approved by the Board of Trustees on 27 January 2016 and were signed on its behalf by:

**M Speller**  
Chair of Trustees

## 5. Charity balance sheet

	Notes				<b>Total funds</b>	
		General Fund £	Designated Fund £	Restricted Fund £	<b>Year Ended 31/03/15 £</b>	Period ended 31/03/14 £
<b>Fixed Assets</b>						
Investments	10	4	-	-	<b>4</b>	4
<b>Current assets</b>						
Debtors	11	67,822	128,655	-	<b>196,477</b>	274,213
Cash at bank		581	-	20,290	<b>20,871</b>	87,355
		68,403	128,655	20,290	<b>217,348</b>	361,568
<b>Creditors:</b> amounts falling due within one year	12	(7,200)	-	(10,648)	<b>(17,848)</b>	(13,879)
<b>Net Current Assets</b>		61,203	128,655	9,642	<b>199,500</b>	347,689
<b>Total assets less total liabilities</b>		61,207	128,655	9,642	<b>199,504</b>	347,693
<b>Creditors:</b> amounts falling due after more than one year		-	-	-	-	-
<b>Net assets</b>		61,207	128,655	9,642	<b>199,504</b>	347,693
<b>Funds</b>						
General funds					<b>61,207</b>	175,110
Designated funds					<b>128,655</b>	96,342
Restricted funds					<b>9,642</b>	76,241
<b>Total funds</b>					<b>199,504</b>	347,693

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 April 2008).

The financial statements were approved by the Board of Trustees on 27 January 2016 and were signed on its behalf by:

**M Speller**  
Chair of Trustees

## 6. 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 2005), the Financial Reporting Standard for Smaller Entities (April 2008), and in accordance with applicable accounting standards.

The comparative period covers a fifteen month period to 31 March 2014.

#### **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.

No separate SOFA has been presented for the Charity alone as permitted by paragraph 397 of the SORP. Intragroup transactions are eliminated fully on consolidation.

#### **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. Voluntary income

	Year ended 31/03/15 £	Period ended 31/03/14 £
Donations	2,194,794	1,649,528
Grants	364,160	590,928
	<b>2,558,954</b>	2,240,456

### 3. Investment income

	Year ended 31/03/15 £	Period ended 31/03/14 £
Deposit account interest	85	415
	<b>85</b>	415

### 4. Incoming resources from charitable activities

	Year ended 31/03/15 £	Period ended 31/03/14 £
Localgiving website income	149,680	118,617
	<b>149,680</b>	118,617

### 5. Charitable activities

	Activities undertaken directly 31/03/15 £	Grant funding of activities 31/03/15 £	Support costs 31/03/15 £	Total Year ended 31/03/15 £	Total Period ended 31/03/14 £
Grants awarded to organisations	-	1,823,683	27,107	1,850,790	1,291,348
Localgiving website	986,735	-	-	986,735	639,420
				<b>2,837,525</b>	1,930,768

Grants were awarded to a total of 1,344 (2014 - 1,152) organisations. The average grant made during the year was £1,080 (2014 - £1,105). A full list of grants awarded in the year is available from the Foundation's registered office.

## Notes to the financial statements

### 6. Governance costs

	<b>Year ended 31/03/15 £</b>	Period ended 31/03/14 £
Auditors' remuneration	<b>9,093</b>	6,900
	<b>9,093</b>	6,900

### 7. Staff costs and trustee remuneration

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31/03/15 £</b>	Period ended 31/03/14 £	<b>Year ended 31/03/15 £</b>	Period ended 31/03/14 £
<b>Staff costs</b>				
Wages & salaries	<b>444,947</b>	424,941	-	-
Social security costs	<b>44,556</b>	42,952	-	-
	<b>489,503</b>	467,893	-	-
<b>Number of employees</b>				
Charitable activities	<b>14</b>	18	-	-
	<b>14</b>	18	-	-

Included in the staff costs detailed above are gross salary costs of £61,988 (2014 - £61,429) and social security costs of £6,572 (£6,475) 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 or prior year.

#### **Trustees' remuneration and expenses**

There were no trustees' remuneration or other benefits neither for the year ended 31 March 2015 nor for the period ended 31 March 2014. In addition, there were no trustees' expenses paid for the year ended 31 March 2015, nor for the period ended 31 March 2014.

## Notes to the financial statements

### 8. Goodwill

Goodwill arising on the acquisition in previous years of the share capital of Localgiving.com Limited 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 £
<b>Cost</b>			
At 01/04/2014	468,762	19,271	<b>488,033</b>
Additions	77,344	2,642	<b>79,986</b>
Disposals	-	(883)	<b>(883)</b>
At 31/03/2015	546,106	21,030	<b>567,136</b>
<b>Depreciation</b>			
At 01/04/2014	468,762	14,377	<b>483,139</b>
Charge for period	5,647	2,991	<b>8,638</b>
Eliminated on disposal	-	(345)	<b>(345)</b>
Impairments	71,697	-	<b>71,697</b>
At 31/03/2015	546,106	17,023	<b>563,129</b>
<b>Net book value</b>			
At 31/03/2015	-	4,007	<b>4,007</b>
At 31/03/2014	-	4,894	<b>4,894</b>

No fixed assets are held by the charity.

## Notes to the financial statements

### 10. Fixed asset investments

The Localgiving Foundation owns 80% of the issued ordinary share capital of £5 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.

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 31/03/15 £	Period ended 31/03/14 £	Year ended 31/03/15 £	Period ended 31/03/14 £
Trade debtors	4,958	2,602	-	-
Other debtors	22,247	21,121	-	-
Localgiving.com Limited Client's account	161,237	121,777	161,237	121,777
VAT recoverable	1,581	3,749	-	-
Prepayments and accrued income	59,461	162,485	35,240	152,436
	<b>249,484</b>	311,734	<b>196,477</b>	274,213

### 12. Creditors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/15 £	Period ended 31/03/14 £	Year ended 31/03/15 £	Period ended 31/03/14 £
Bank loans and overdrafts	-	276	-	-
Trade creditors	12,532	14,268	3,109	3,600
Social Security and other taxes	14,919	11,002	-	-
Other creditors	18,193	300	7,539	-
Accrued expenses	9,991	21,428	7,200	10,279
Deferred income	71,876	61,340	-	-
	<b>127,511</b>	108,614	<b>17,848</b>	13,879

## Notes to the financial statements

### 13. Movement in funds

	At 01/04/14	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/15
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	122,808	1,050,321	(1,277,396)	123,462	<b>19,195</b>
Designated fund – online donations	96,342	1,586,794	(1,478,441)	(76,040)	<b>128,655</b>
<b>Restricted funds</b>					
Office of Civil Society Matching Fund	53,220	-	(61,340)	-	<b>(8,120)</b>
Sowerby Foundation Grant	23,021	71,604	(29,440)	(47,422)	<b>17,763</b>
	76,241	71,604	(90,781)	(47,422)	<b>9,642</b>
<b>Total funds</b>	<b>295,391</b>	<b>2,708,719</b>	<b>(2,846,618)</b>	<b>-</b>	<b>157,492</b>

**Online donations fund (designated)** represent online donations that have been set aside to pay out as grants to local charities.

**Office of Civil Society Matching Fund (restricted)** has arisen from a Cabinet Office grant to match online donations to local charities in England. The fund was overdrawn due to over commitment to match donations during the year. This balance is cleared in July 2015 by reallocating funding from the general fund.

**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.

### 14. Operating lease commitments

At 31 March 2015 the Group was committed to making annual payments of £33,500 (2014 - £33,500) under non-cancellable operating leases in respect of land and buildings which expire within one year (2014: with in one to two years – £33,500).

### 15. Related party disclosures

The Localgiving Foundation owns 80% of the called up share capital of Localgiving.com Limited. . Since the balance sheet date, the charity has increased its shareholding in Localgiving.com Limited to 100% as disclosed in note 10. The Chairman of the Localgiving Foundation, Marcelle Speller, is also a director 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, £1,586,794 (2014 - £852,028) in online donations and £283,000 (2014 - £525,000) in grant funding was received by Localgiving.com Limited on behalf of Localgiving Foundation. Localgiving.com Limited paid out £1,451,334 (2014 - £718,610) in grants to local charities and recharged £27,107 (2014 - £18,020) in transaction fees. At 31 March 2015 Localgiving.com Limited owed £153,699 (2014 - £121,777) to the Localgiving Foundation, representing online donations and grants received not yet awarded as grants to local charities.

### 16. Controlling party

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

