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## Trustees' report and audited financial statements

For the year ended 31 March 2022

Registered Charity Number (England & Wales): 1132411

Registered Charity Number (Scotland): SC047395

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## Contents

## Page

1. Trustees' report	2 – 16
2. Report of the independent auditors	17 – 20
3. Consolidated statement of financial activities	21
4. Consolidated balance sheet	22
5. Charity balance sheet	23
6. Consolidated statement of cash flows	24
7. Notes to the financial statements	25 - 43

# 1. Trustees' Report

The Trustees present their report with the financial statements of the Charity and the group for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP").

## Reference and administrative details

### **Charity name**

Localgiving Foundation

### **Registered Charity number**

England & Wales: 1132411

Scotland: SC047395

### **Principal address**

Shurland Castle (The "Castle")

High Street

Eastchurch

Sheerness

ME12 4BN

### **Trustees**

Tom Latchford (Chairman)

Gillian Mead

David Langer

Maria Chavez (appointed 15th December 2021)

### **Auditors**

Goodman Jones LLP

Chartered Accountants & Statutory Auditors

29/30 Fitzroy Square

London

W1T 6LQ

### **Accountants**

Evelyn Partners LLP

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### **Solicitors**

Farrer & Co LLP

60 Lincoln's Inn Fields

London

WC21 3LH

## Trustees executive overview

Localgiving Foundation is the leading Charity in the UK for helping local communities flourish. We focus our charitable impact through two clear projects:

1. **Community Platform:** The provision of the Localgiving.org platform (The “Platform”), providing secure grant distribution services for large grant makers and grants and tools for local community groups to flourish; and
2. **Community Sanctuaries:** Catalysing generational change in geographical inequalities, through the restoration and reimagining of historic properties in deprived communities into healing sanctuaries for children, with the prototype at Shurland Castle.

### Overview of the Community Platform

The Platform provides vital support to over 4500 local community groups across all 92 counties and shires in the UK, delivering over £10M in funding a year. The Trustees have led the Charity through continued significant strong and stable growth since they took over in 2017. The Trustees have successfully executed a growth plan, in spite of the extreme difficulties of the macroeconomic market through Covid and the cost of living crisis, leading to the tripling of:

- funds raised for our beneficiaries;
- grants distributed in collaboration with major funders; and
- the Charity's income.

The Trustees have ensured this has been done through building strong recurring revenue lines coming from a stable and engaged membership of 4500 local groups, tips from tens of thousands of donors and payments from growing partnerships. Whilst the Charity is still keen to win relevant grants to expand its impact to beneficiaries, it is not reliant on such grants to fund its core costs and ensure the Charity's continuity.

The Platform delivers public benefit by maximising funding to grass roots community groups. We do this by providing a comprehensive toolset for large grant makers to more easily and securely distribute grants to small and local nonprofits. We specialise in match funding campaigns, meaning we (more than) double the funds by creating a groundswell of local support. We make it easy for local people to get involved and give time and money to the causes in the locality they care about across the UK. In this way our local community group members get more funding, more volunteers and become more sustainable.

The Charity has invested in its Platform to become a market leader in fundraising and grant distribution tools. As a Charity focussed on impact, we provide unique tools for grant makers at low cost such as powerful grant distribution and cutting edge software for AML/ Sanctions checks with AISO data sourcing. We have built our software out to be the most comprehensive way to conduct due diligence on charities for grant makers who want to avoid risk and maximise impact. We have a hyper engaged membership, with a ~50% open rate on all our emails to tens of thousands of customers across our groups and we are flooded with letters and emails of grateful customers talking about the impact of the platform and programmes like Magic Little Grants funded by People's Postcode Trust.

We have greatly strengthened and expanded our partnerships with our grant distribution partners. We successfully won a £1M Department of Culture, Media and Sport (DCMS) Covid campaign that raised over £1M of match funding on the Platform within hours of launching. Magic Little Grants funded by Postcode Community Trust has expanded to deliver £3.2M in high impact grants to 4145 local charities since 1st April 2021. The partnership with National Grid has seen £4.5M being distributed to help people struggling with the cost of living crisis and has recently been nominated for a Charity Times Award for its life saving interventions.

The team has world-class strength in the technology field. The CEO, responsible for the Platform, was formerly Vice President of Accounts for JPMorgan Chase & Co leading a team that launched CHASE online bank in the UK; prior to that he was Principal Product Manager at Tandem Bank. The CEO reports to the board, which includes strong technology leadership - one trustee founded Joyful.org, a market leading

SaaS platform for nonprofits in Europe and Australia (acquired by The Access Group, and another trustee founded GroupSpaces.com (backed by Index Ventures) and Zesty.com (backed by Index Ventures and acquired by Square.com) before becoming managing partner at a tech focussed venture capital firm.

### Overview of the Community Sanctuary

The opening paragraph of the Government's white paper, *Levelling Up the United Kingdom*, recognises the crucial role of charities in the endeavour of eliminating geographical inequality. The White Paper states "the economic prize from levelling up is potentially enormous. If underperforming places were levelled up towards the UK average, unlocking their potential, this could boost aggregate UK GDP by tens of billions of pounds each year. Levelling up skills, health, education and wellbeing would deliver similarly-sized benefits." Over a span of ten years, the Charity diligently operated its Platform, making every effort to encourage fundraising for established community groups. However, despite their best attempts, a fundamental problem persisted: data gathered from the Platform revealed that the most impoverished areas in the UK often lacked pioneering, audacious initiatives necessary to spur investment and foster local inspiration. This led to a profound insight among the Trustees. They understood that if the Charity truly aimed to create a legacy in levelling up the UK, it must initiate and establish beacons of innovation and opportunity within these most disadvantaged areas.

Over the course of a year, a plan was meticulously crafted to establish a community sanctuary for children, with the aim to spark profound, generational shifts in skills, health, education, and wellbeing. The decision was made to concentrate on repurposing inspiring, yet deteriorating historic buildings—those in private ownership, heading towards disrepair, and lacking public accessibility—into thriving, sustainable sanctuaries for children in nature. A report by the Education Policy Institute demonstrated that children from the most deprived areas are more likely to endure mental health issues, negatively influencing their academic performance and limiting future opportunities. Inspired by the acclaimed Maggie's Centres, which intertwine art, architecture, and nature, the Trustees devised a robust plan for a new type of healing sanctuary for children's mental wellbeing, envisioning it as a scalable model.

Through doing this, the Trustees set out to create a long lasting legacy for Localgiving Foundation of catalysing impact on a local level by repurposing historic properties in private ownership, local job and opportunity creation, and delivery of impact through measurable education, health and wellness outcomes in children. In 2019 the Trustees conducted a search to find a historic property matching the criteria and found the perfect property. Shurland Castle (The "Castle") was based in Sheerness on the Isle of Sheppey - one of the top 2% deprived areas within 2 hours from London. The Trustees had learned through the Platform that local transformation was done through collaboration, and the Sheerness Dockyard Trust has recently opened a project for young entrepreneurs on the island. The Castle was steeped in national history - a place Henry VIII bought Anne Boleyn and where Winston Churchill learned to fly - but it had fallen into continual neglect in private ownership. The Spitalfields Trust spent almost a decade restoring the building but mid-way through an ambitious plan hit the challenges of the 2008 crash and the project stalled and was again sold into private ownership. The Charity completed the purchase at the end of the 2019 to revitalise the building and build the prototype of the vision for levelling up deprived areas in the UK.

Within a few months of purchase, the Covid19 shock resulted in the immediate plans for Shurland Castle impossible and saw signed deals that would have fully funded the project withdrawn in unprecedented moves. Once Covid19 had eased, the cost of living and economic crisis was settling in and so, like many charities, this has been one of the most challenging environments in recent history for the Trustees and the Charity to launch the project. However, the Trustees have executed a careful plan since Covid19 began, to provide critical repairs to the building, build the architectural plans for the healing sanctuary, design the therapeutic and artistic vision for the centre whilst building relationships with the local people and local charities. It has been a joy for the Trustees to witness the local people, for example having over 100 local people stick it out in the pouring rain for our Charity Castle Summer Jazz fundraiser with Sheppey Matters and the local Rotary Clubs and Women's Institute.

The Trustees have created a world-class team. Having carefully studied the model for Maggie's Centres, the architectural team is led by Piers Gough CBE who designed Maggie's Centre in Nottingham with fashion designer Paul Smith. The landscape architect is Rupert Muldoon who designed the award winning Maggie's Centre in Oldham. The historic architects are led by Martin Ashley, who recently completed the Sheerness Dockyard Church also on the Isle of Sheppey. The creative team is led by Lucy Ridley, who was Head of Creative Development at Secret Cinema and before that at the Royal Opera House.

The Charity has won a grant with the Architectural Heritage Fund to catalyse the restoration plans. The plans for Shurland Castle are innovating in sustainable materials. We won two successful bids to partner with Kingston University to develop sustainability plans and input into the work we were doing with leading architects CZWG. This work was led by one of our Trustees who was an alumni from Kingston and whose job at the time was heading up operations and HR for Vivid Economics, a leading sustainability economics consultancy (acquired by McKinsey).

The Trustees have been keen to build out our board to ensure we have the relevant expertise to deliver the projects and safeguard our beneficiary children. One of our Trustees used to be the Head of the Therapeutic Department at a leading international therapy centre, and we recently have confirmed a fifth trustee to be joining the trustee board who has been a governor of a state school board, is an expert in safeguarding children and a current Head of Department at a leading UK public school.

### Summary

Localgiving Foundation achieves a tremendous amount with a very lean, highly motivated and skilled team and trustee board, leveraging transformative technologies, creating innovative projects and building effective partnerships to ensure maximum impact.

We are driven by the measurable impact we have made on hundreds of thousands of people across the UK. Our campaigns vary from raising £2M for food banks in Covid19 to a campaign with National Grid to distribute blankets to isolated people in freezing homes in deprived areas of the UK as the cost of living crisis worsened, for which we have recently been nominated for a Charity Times Award.

Having supported grass-roots charities for a decade providing services on the front-line to tackle local problems and geographical inequalities, we have joined the efforts directly in expanding into healing sanctuaries for children in deprived areas. This creates a virtuous circle where we can better understand the realities of creating change as a community Charity on the ground, which can then feed into our innovation with the technologies.

# Structure, governance and management

## Governing document

The Charity is constituted and managed in accordance with the trust deed of 20 October 2009 as amended on 16 April 2013 as amended by deed of variations dated 16 April 2013, 20 March 2017, and 21 October 2019 (the "Trust Deed").

## Organisational structure

The Charity commissions Localgiving Limited (the "Subsidiary") to carry out the services of running the grant distribution and fundraising platform, Localgiving.org. The work of Localgiving.org is entirely impact driven, but exists as a subsidiary so that it can most effectively run a technology platform that needs to remain competitive and suitably manage tax and risks.

The Charity owns the building Shurland Castle (the "Castle").

## 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. Our Trustees collectively have a broad range of skills and expertise including the following that are relevant to the Charity: decades of combined experience as Trustees, directors or governors, market leading nonprofit expertise, successfully exited technology entrepreneurs, experience running leading therapeutic clinics, leading operations for fast growing organisations, corporate finance skills and running professional theatre companies.

New Trustees are given a thorough induction and are provided with key information on the Charity and its subsidiaries. The Trustees do a review of their responsibilities annually, including noting any updates to trustee responsibilities and advice.

## Decision making

The Charity is governed by the board of Trustees composed of a chairman and three other Trustees. A further trustee has recently accepted an offer to join shortly. The Trustees are ultimately responsible for the Charity's strategic direction, management and

administration to ensure the Charity achieves its objectives.

The Trustees fulfil their key duties, which include ensuring compliance with the Charity's governing documents, acting in the Charity's best interests, managing the Charity's resources responsibly, acting with reasonable care and skill and ensuring accountability.

The Trustees hold meetings, at least, quarterly. In addition, they are actively involved in ensuring the effective leadership of the Charity and Subsidiary, becoming involved in operational issues where necessary. They also act as ambassadors for the Charity in public, attending events and key meetings for the Charity. The Trustees ensure detailed operational and financial oversight and carefully consider and approve key strategic decisions.

The Charity has one full-time members of staff and so the Trustees are also involved as volunteers to steer the charitable programmes of the Charity. This includes working on major partnerships, the finances and key charitable activities and events.

The Charity has two subsidiaries, Localgiving Limited(100%) and Impactful Group Limited (97%). Impactful Group Limited is currently a dormant company. Localgiving Limited (the "Subsidiary") is a thriving business with a separate board of three directors, one of which is also the Chair of the Charity.

The Subsidiary's board (The "Board") is responsible for the planning and major operational decision making of the organisation. This includes reviewing risk management, key activities or projects and performance against objectives. The Board meets, at least, quarterly and is responsible for reporting back to the Charity regularly on its financial position and progress against the business plan. The Charity maintains a detailed oversight of the performance of the Board and the Subsidiary to ensure its interests are fully represented.

The staff of the Subsidiary, overseen by a CEO, are responsible for the day-to-day management of the subsidiary and implementing plans and activities. The CEO has regular 1:1 meetings and frequent correspondence with the Chair at which they have the opportunity to raise any immediate issues that require strategic guidance. The CEO reports to the board and is invited to certain board meetings.

The CEO, working with 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, Business



Development, Customer Success and Finance & Operations. The staff also work in flexible cross-functional teams to deliver new technology projects, regional development programmes and match-fund campaigns.

The Charity is committed to building effective partnerships with other organisations in the sector through joint funding programmes, cross-member benefits, advocacy, shared services and research. The Charity takes a data driven approach to decision making, analysing the impact of its work and carrying out research and consultation with beneficiaries and donors.

## Remuneration of key management personnel

Salaries for permanent staff are revised and set once per year by the remuneration committee. The committee is made up of the Trustees of Localgiving Foundation together with the Board and CEO of the Subsidiary. The Subsidiary aims to pay staff as fairly as possible and is a Living Wage employer. Staff 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 of the Subsidiary are rewarded commensurate with comparable sized technology companies using benchmarking data, and their performance is carefully monitored.

## Managing conflicts of interest

The Trustees of the Charity are very careful to manage any conflicts of interest that may arise from time to time. The Trustees maintain strict adherence to the guidance in the Charity's Trust Deed, internal policies and Charity Commission guidance

In situations where the conflict is unavoidable in pursuing the best interest of the Charity, the Trustees maintain a Conflicts of Interest Register, which contains any of the trustee conflicts that have been encountered since the new Trustees took over the foundation in July 2017. This demonstrates how the Trustees have carefully managed any conflicts of interests, taking legal counsel when required.

The Conflicts of Interest Register contains a step by step account of how each conflict was managed in the best interests of the Charity by independent Trustees, following express provisions in either the governing documents of the Charity/ Subsidiary, applicable

legislation (such as the Companies Act 2006 or the Charities Act 2011), as well as any guidance published by the Charities Commission.

## Related parties

As at 31st March 2021, the Charity owns 100% of the called-up share capital in Localgiving Ltd and 97% of Impactful Group Limited (with the remaining 3% held by independent advisors).

Localgiving Ltd became a wholly owned subsidiary of the Charity on 28th October 2015. As the Charity is a trust, a trustee holds the shares in Localgiving Ltd and Impactful Group Limited for the benefit of the Charity.

Impactful Group Limited was incorporated on 15 March 2022. The Charity owns 97% of the share capital of Impactful Group Limited.

The Chair of the Charity is also one of the directors of Localgiving Limited and the director of the Impactful Group Limited.

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 in a process that is annually audited by HMRC. The transaction costs of this income and expenditure are recharged to the Charity by the subsidiary.

The Charity also makes payments to the Subsidiary from restricted funding it has received to cover the costs of running various programmes.

The former Trustees of the Charity (prior to July 2017) granted a loan from the Charity to the Subsidiary, which is still being repaid. The current Trustees have not entered into any further loans between the Charity and the Subsidiary, beyond two advances that had already been factored into the forecast by the former Trustees in 2017 by the former Trustees.

The Trustees hold the title of Shurland Castle on trust for the Charity.

Given the Charity has one employee, some of the Trustees need to stay at Shurland Castle to fulfil their duties in delivering the objectives of the Charity and so a licence was entered into to enable the Trustees to stay at the property as necessary at an appropriate rate to ensure no unauthorised trustee benefit. This situation was carefully managed to ensure no conflicts of interest.

One of the Trustees provided a bridging loan to enable the Charity to pursue its objectives in acquiring Shurland Castle. This bridging loan was provided by the trustee borrowing the money from their bank to save the Charity costs versus what the Charity would



otherwise have paid on the open market. The bridging loan was provided on the expectation that the loan would be repaid by a deal which the Charity had a signed Heads of Terms for that would fully fund the Castle and/or a conventional loan. The Charity was careful to manage any conflicts of interest throughout this and to ensure any trustee benefit was incidental.

Two of the Trustees are connected persons by way of being married.

One of the 4500+ groups on Localgiving Ltd platform, one is a related entity. Really Care Foundation is a nonprofit company limited by guarantee, that had a director who was a connected person to one of the Trustees. Really Care was accepted onto the Localgiving platform by an independent committee and routine application process. It received a net amount of £3,486 that it independently raised through the Localgiving Platform to develop online coaching materials. Subsequently, Really Care has been closed down due to the ill-health of the founder. Really Care returned the grant funding it had received and donated all its remaining assets to the Charity including online coaching materials and further funds. This situation was carefully managed to ensure no conflicts of interest.

# Objectives and activities

The Objects of the Charity are “to promote for the benefit of the public such charitable purpose or purposes as the Trustees shall in their discretion think fit”. Although the Charity has general charitable purposes, it has a particular focus on helping communities flourish. It does this in two main ways on a national and local level:

1. **Community Platform:** The Charity commissions its Subsidiary to deliver the technology platform, Localgiving.org (the “Platform”) to carry out grant delivery programmes for funders, and to deliver tools and services (such as digital upskilling) to local nonprofits and charities. It works in partnership with leading funders like the Department for Digital, Culture, Media and Sport (DCMS), Postcode Community Trust and National Grid to raise and distribute over ten million pounds in funding annually for front line organisations helping local people across the UK face daily struggles like Covid19 and the Cost of Living Crisis; and
2. **Community Sanctuaries:** The Charity is committed to reducing geographical inequality in the UK through providing physical community sanctuaries focussed on children as the next generation. The Charity is developing a plan to create a series of centres - much like Maggie’s Centres but for children’s mental wellbeing. The plan is to create these by restoring and repurposing historic buildings that would otherwise be falling into disrepair in private ownership without public access. The Charity has launched its first pilot from an ancient scheduled monument and Grade II\* property on the Isle of Sheppey called Shurland Castle, where Henry VIII visited with Anne Boleyn and where Winston Churchill learned to fly. The Charity is working to open the Castle as a healing sanctuary for children, combining the arts, theatre and nature.

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

## Localgiving Platform (Localgiving.org)

### Purposes and public benefit

Localgiving is a leading platform for local and community fundraising across the UK, working with over 4500 groups with widespread coverage over every one of the 135 counties in the UK. Collectively we help local groups raise over £10M per year. We also

work with leading funders in the UK, such as National Grid, the Postcode Community Trust and the Department for Culture, Media and Sport to distribute millions of pounds in funding to help local communities flourish.

The Platform democratises giving. To become a member of Localgiving, we carry out due diligence on local groups, including anti-money laundering checks. Once a member is accepted they can apply for grants and fundraise on the platform. We run match fund campaigns, where organisations can double donations from the public.

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:

- Making secure grants to approved local community organisations, partnering with leading funders
- Providing free training in digital fundraising skills to local community groups
- Providing low cost tools to community groups to increase sustainability of income streams
- Acting as a network for local charities and community groups in the UK to strengthen the sector and increase resiliency.

The Subsidiary is operating the platform in order to achieve these outcomes at the instigation of the Charity.

The Platform provides a win:win:win for three stakeholders:

1. Local community groups who struggle with access to funding. They are often highly cost-effective as they are often volunteer run, but lack skills to reach key audiences;
2. Larger funders who would like to support a diverse range of community groups and give grants in an efficient and secure way, but lack the internal capacity and technologies to do so; and
3. UK donors who want to support local people and groups who are struggling or suffering through the Covid19 or the cost of living crisis and other issues.

The Platform helps these groups in the following ways:

1. By providing a powerful technology platform for local groups so they can market themselves and fundraise effectively.
2. By providing secure grant distribution and match funding tools to large funders, with

anti-money laundering and safeguarding checks.

3. By stimulating local giving through searchable databases and match funding campaigns to drive up donations.

In this way the Platform stimulates the growth of local groups to ensure effective delivery of front-line services to help manage national problems like Covid19 and the cost of living crisis on a local level.

#### Long term objectives

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

#### Short term objectives

- Increase online donations and grants to local voluntary organisations.
- Deliver digital fundraising capacity building programmes to poorly covered areas in the UK.
- Provide a year-round calendar of grants and match funds, working with partners.
- Enable grant makers to more easily distribute grants to small local organisations.

#### Significant activities – the Platform

##### *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 donations with Gift Aid. It provides access to dashboards of donation reporting and enables charities to send messages to supporters.

##### *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.

##### *Funding*

Securing funding from government bodies, philanthropists, other grant-making foundations and corporate sponsors for local and national match fund campaigns and grant funding programmes.

##### *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.

#### Achievements

In this financial year, the Charity has succeeded in over doubling the donations to our member charities. We have succeeded in carrying out some highly successful grant distribution and match funding campaigns with partners.

##### *Magic Little Grants, funded by Postcode Community Trust*

The Magic Little Grants programme, funded by the Postcode Community Trust (connected to People's Postcode Lottery), is creating an enormous difference to local groups and charities.

Since 1st April 2021, we have distributed £3,171,700 in grants to 4145 local charities and community groups.

Brevio reports that "Outdated and overcomplicated application processes could have cost hard-pressed British charities at least £442 million through attempts to secure desperately-needed funds during the Covid-19 pandemic". These barriers make it difficult for small local charities to receive much needed funding. The programme with Postcode Community Trust changes that by making grant distribution easier and more accessible.

Localgiving has developed unique technology to handle secure grant distribution for every aspect of the grant lifecycle, from the initial PR, application flow including anti-money laundering checks, reporting and assessment, payment distribution, communications and monitoring. This allows for the funding of Postcode Community Trust to go further in supporting a diverse range of groups spanning the whole of the UK, whilst ensuring the security of the funding.

The Postcode Community Trust funding reaches thousands of charities and community groups across the UK. This year projects covered thousands of diverse initiatives ranging from free orchestral conducting sessions to an Iranian ice cream truck raising awareness of women's rights.

##### *Community Matters Fund, with National Grid*

Our programme with National Grid is using a £2.5M grant from National Grid to help local groups support disadvantaged people through times of difficult fuel price conditions through cold climates. We have now distributed over £4.5M in grant funding to over 700 local charities and community groups.

We are delighted that the programme has been nominated by the Charity Times for the Corporate Community Local Involvement Award, highlighting the achievements of the programme. This award helps to demonstrate the success of the programme in saving lives, for example through helping a local group Harbour Housing distribute warm blankets purchased with funding from this programme.

The funding has achieved great impact from increasing access to green space across the UK to providing specific programmes for young people in the midst of mental health crisis.

#### Future Plans

Following the success of our work with National Grid we plan to continue the expanded program into next year and increase the size of the partnership. In addition, the strengthening of the relationship has extended within the National Grid Group and we have started two further programs with other areas of the business, having agreed to distribute an additional £1m over the course of the year.

We have invested a lot of time in building our Platform to improve the volume and value of donations our members receive. This has included updated donation pages, an updated donation journey, and will be expanded to offer a wider range of fundraising tools to our members. We've already seen that the new donation flow improved the rate of gift aid claimed from 54% to 69%. We're very excited to start working with generative AI to explore how we can support charitable organisations with limited resources to improve their impact and fundraising activities.

We are also building an updated due diligence process that will make Localgiving the most secure way to complete validation on a charitable organisation in the UK and we look forward to extending the capability to the UK non-profit sector in the hope of offering new support to smaller organisations that are often overlooked by larger donors.

## Community Sanctuary (Shurlandcastle.org)

### Purposes and public benefit

In November 2018, the NHS published a detailed report Mental Health of Children and Young People in England. This survey found that 1 in 8 (12.8%) 5 to 19-year-olds had at least one mental disorder. There was a clear association between mental disorders and living in a family struggling financially or being in receipt of benefits. There is an overwhelming body of evidence showing that:

- There are extreme wealth inequalities in the UK that are becoming entrenched through cycles of deprivation;
- Children from more deprived areas suffer greater mental health challenges and their potential is limited as a result in education, which affects follow on job prospects; and
- There are fewer services addressing children's mental health in these areas.

The Charity has some of the best data in the country showing that there are fewer services in the UK and less funding in the areas the country needs most support. By providing the Platform to support existing groups, the Charity realised it could not change the system alone.

The Trustees carefully prepared a plan for the Charity to launch a scalable model to provide physical spaces in the most deprived areas in the UK with the fewest opportunities to address children's mental health. In this way the Charity seeks to provide new infrastructure that can help shift wealth inequalities over a generation and more. The Trustees studied different models of high impact charities in this space and were particularly struck by the model of Maggie's Centres ([maggies.org](http://maggies.org)) which has expanded to 26 centres. Maggie's Centres provide comprehensive support to individuals with cancer and their loved ones, offering practical, emotional, and social assistance. The centres host a variety of professionals, such as therapists, psychologists, nutritionists, and benefits advisors, and offer activities like yoga, tai chi, mindfulness, and art therapy. With a design intended to feel like a home rather than a clinic, each centre features a unique architecture that creates a relaxed and empowering environment. Maggie's Centres have made a substantial impact, enhancing patients' physical and emotional wellbeing, reducing feelings of isolation, improving understanding of their condition, and fostering better communication with their medical team. They also provide much-needed support for family and friends during challenging times. The Charity set on a path to build a kind of Maggie's Centres for children's mental wellbeing and their parents or guardians.

The Trustees considered the best approach for finding a site to prototype the concept. The Trustees identified the areas of highest deprivation in the top 2% of socially deprived areas in the UK and then narrowed the search to also areas within 1.5 hours of East London to make it commutable from the Charity's offices at the time in Shoreditch. The Trustees considered information from the "Heritage Counts" reports by Historic England showing the decline of Grade I and II\* buildings and noticed the trends of such buildings in areas of higher deprivation. The Trustees considered that they could have an added public benefit of identifying historic sites that would otherwise fall into potential disrepair in private ownership in these areas and decided to focus the search on a building where they could reimagine the use of such a building.

In 2019, after an extensive search, the Trustees came across a perfect opportunity. An ancient scheduled monument and Grade II\* listed building based in the Isle of Sheppey, close to East London, which had until recently been on the at risk register with Historic England. The building was steeped in history: built on the site of a mediaeval castle and enlarged for Henry VIII's visit with Anne Boleyn in 1532. It was the place Winston Churchill learned to fly and became an airbase for the RAF in WWII, when a large industrial sized 5000 sq ft barn was built, which would be perfect for the intended use of the Charity. The building had had a major renovation by the Charity the Spitalfields Trust in 1999 for a decade. This was abruptly halted in the 2008 market crash: the Trustees saw the potential for picking up where they left off and finding a new use for the building and a sustainable model to provide a beacon of inspiration in the Isle of Sheppey. This felt like a fertile ground for systemic change, and recently Will Palin and the Sheerness Dockyard Trust renovated a dilapidated church into a centre for entrepreneurship, raising £8 million including a £4.2m grant from the National Lottery Heritage Fund in 2019.

Just as Spitalfield's Trust struggled in 2008, the Charity found themselves in an even more challenging and elongated difficult macroeconomic environment within months of purchasing the property. The funding that had been secured and the business plans the Trustees had carefully created were cancelled overnight in unprecedented market conditions. Covid19 was extremely punished for trying to manage a large property that had created a plan based on public events, which were illegal for extended and unspecified periods. The Trustees managed the situation carefully through a very challenging time and the financial performance of the Charity speaks for itself as to the results. The income for the Charity has over doubled since then and will have tripled by the end of this financial year.

During Covid19, the Charity instead executed a plan dealing with urgent restorations of the property on

extremely tight budgets, including fixing leaking windows, roof and doors, which had been incorrectly repaired by the previous owners. The Charity also progressed plans for the healing sanctuary. Given Maggie's Cancer Centres have been an inspiration behind the concept, the Charity curated a world-class team led by Piers Gough CBE of CZWG Architects who designed Maggie's Nottingham with fashion designer Paul Smith. The landscape architect is Rupert Muldoon who was the lead of the stunning Oldham Maggie's Centre which famously was built around a tree at the heart of the building. Our historic architect is Martin Ashley from MA Architects, who recently completed a project restoring the inspirational Sheerness Dockyard Church close to the Castle.

The Charity is working to create a therapeutic and personal development space for children with a focus on active learning through play, theatre and arts, and engagement with the outdoors. The Trustees have a particular expertise in professional theatre. One trustee was the Chair of Trustees for an international theatre company based at the Young Vic theatre, and a new trustee joining is a published theatre playwright (who has also been a governor for a state school and in the management of a leading public school). The Charity is working with a creative team led by Lucy Ridley, who was Head of Creative Development at Secret Cinema, and worked there for over a decade. Most recently Lucy wrote a large-scale children's immersive experience, launched by Secret Cinema at Wembley Park this Christmas. She is working closely with the Trustees and subject matter experts in safeguarding, theatre and therapy, (e.g. with Hermione Benest who is extensively qualified in psychodynamic counselling). The next step is a multi-day collaborative workshop with key stakeholders at the Castle to design the programmes for children.

#### Significant activities

The Trustees have carefully built a team for the delivery of the project at Shurland Castle, with subject matter experts. In addition to the names mentioned above these include:

- Rupert Muldoon, from Meeuwssen Muldoon Landscape Architects, who won awards for his designs for a Maggie's Cancer Centre and has also designed national sites such as Brunswick Gardens in London. He is currently working to deliver a garden for the Chelsea Flower Show focusing on nature and teenage mental health. Rupert has developed extensive and detailed plans for the gardens including an amphitheatre, treehouse cabins and creative therapeutic spaces;
- Russell Sage, from Russell Sage Interior Designers, has worked with the Trustees personally on the project at every step. Recently he completed the designs for Maggie and Rose - a highly successful

children's club. He has designed leading hotels in London and New York, including The Savoy, The Goring and the award winning Fife Arms. He has designed most restaurants for Gordon Ramsey, parts of Buckingham Palace and Dover Castle;

- Adam West from CZWG. Adam has significant experience in leading complex architectural projects, including the Arsenal Football Club developments and the Aurelia Rathbone Market. His focus on environment and sustainability aligns well with Shurland Hall's needs, demonstrated by his current projects in affordable and mixed-use housing; and
- A variety of other specialists and consultants, including Strutt and Parker who led the successful temporary change of use to commercial application, historic specialists, archaeologists, cost planners and project managers.

The Trustees have worked hard with this team to develop a range of plans and possibilities for the Castle. The Trustees have developed scheme designs and detailed plans for any new proposed structures or building works.

Whilst the repairs and programmes are being carefully developed, the Trustees have ensured that restricted access to the site can continue as much as is practical with resource constraints and safety considerations. Filming was completed at the Castle for Series 6 of Inside the Tower of London, a popular TV programme for Channel 5. The Trustees have organised several events with Sheppey Matters, including a recent Charity Jazz Concert with over 100 local residents attending and several local charities represented. The Charity has also led collaborative think tanks with local charities including Salvation Army, Freedom Centre, Age UK Sheppey, Big Fish Theatre, WI Eastern Sheppey.

#### Achievements

The Trustees have been careful to manage costs throughout this process on what is an ambitious project. The Trustees won a successful bid to have hundreds of hours of student time of graduate students at Kingston University work on the plans for Shurland Hall as part of their broadening horizons programme. The students looked into various aspects of the project from sourcing sustainable materials to creating herbal gardens through collaboration with other garden charities.

The Charity was successful in winning a grant from the Architectural Heritage Fund, which is being used to create the plans for the work on remedying problematic areas of the building so that it can accelerate the building being opened.

#### Future Plans



Providing services for children and especially vulnerable children requires rigorous preparation and processes. We are working with subject matter experts in order to ensure that we build out a safe space for children. We have also worked to expand our trustee board to ensure there is someone who is knowledgeable about safeguarding, and we have been delighted to confirm an additional trustee will be joining who has previously been a governor of a state school, is the Head of English at a public school and is a playwright that has had shows professionally produced.

The Charity is beginning essential works on the property, and has been first focussing on a plan of sorting potentially dangerous structures in the grounds, and some toxic materials, that were identified in professional surveys.

The future plans for the Castle are exciting, and the next part of the creative process led by Lucy Ridley is bringing together a carefully curated set of therapists, creatives and producers for a multi-day creative process to work on the original IP being produced at the heart of the Castle's concept for transformational environments for children.



# 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 £10,610,400 in voluntary income during the year. This was made up of donations of £8,418,079 and grants of £2,192,321.

From this income, grants of £9,096,311 were awarded. The group had support costs related to grant payments of £94,623.

## 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 £1,037,589 (2021: £1,218,895) were carried forward by the Charity at the end of the year, represented by £1,402,526 (2021: £1,072,980) restricted funds for future grant awards, £nil (2021: £110,851) designated funds for future grants awards and £981,866 (2021: £35,064) in general funds.

Voluntary income via online donations are 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's own balance sheet shows a balance on unrestricted funds of £981,866 (2021: £1,780,121) compared to a deficit of £522,622 (2021: surplus £35,064) in group unrestricted funds caused by accumulated trading losses in the subsidiary. As the group expands, the subsidiary is expected to become profitable so reducing its level of retained losses and ensuring group unrestricted are no longer in deficit. The current year saw a significant fall in the level of accumulated losses in the subsidiary which the Trustees expect to continue.

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

## Risk management

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

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

Financial performance and cash forecasts of the subsidiary are reviewed monthly by the Chairman to ensure the subsidiary remains on track with its business plan. The Charity has provided against the loan to the subsidiary in its Statement of Financial Activities.

## Results for the year

Income decreased from £10,975,216 to £7,848,734 and expenditure from £10,436,990 to £8,030,040 leading to a deficit for the year of £181,306 (2021: surplus £538,226). This decrease represents an increase in donations received in the prior year due to increased activity due to the effects of the COVID pandemic as detailed elsewhere in this report.

## Fundraising

The Trustees ensure that our fundraising activity is delivered to a high standard:

- We are committed ensuring that we are completely open about our fundraising and spending;
- We undertake any fundraising activity to our supporters via formal applications;
- We do not use any third parties to assist with raising funds, nor have we signed up to any voluntary codes of conduct regarding fundraising; and
- We did not receive any complaints with regards to our fundraising activity in the year; and

## 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 £50,736 (2021: £432,856) was held on behalf of other foundations.

## Trustees' responsibilities statement

The Trustees are responsible for preparing the Annual 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 group and of the incoming resources and application of resources, including the income and expenditure, of the Charity and group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and group will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable 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.

## Disclosure of information to auditors

Goodman Jones LLP were appointed as auditors during the year and have indicated their willingness to be reappointed.

The Trustees confirmed that, in the case of each of the persons who are Trustees at the date of this report, the following applies:

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

**On behalf of the board:**



**T Latchford**  
Chair of Trustees

Date: 18.08.23

## **2. Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2022**

### **Opinion**

We have audited the financial statements of Localgiving Foundation (the 'Charity') and its subsidiaries (the "Group") for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows, and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's and Group's affairs as at 31 March 2022 and of their incoming resources and application of resources, including their income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

# Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2022(continued)

## Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

## Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or Group or cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2022(continued)

## Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 151 of the Charities Act 2011 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Based on our understanding of the Charity and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

# Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2022(continued)

## Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 Group, the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

18-08-23

**Goodman Jones LLP**

**Chartered Accountants  
Statutory Auditors**

29/30 Fitzroy Square  
London  
W1T 6LQ

Goodman Jones LLP is eligible for appointment as auditor of the Charity under of section 1212 of the Companies Act 2006

# 3. Consolidated statement of financial activities Incorporating income and expenditure

				Total funds	
	Notes	General Funds £	Designated Funds £	Restricted Funds £	
				Year ended 31/03/22 £	Year ended 31/03/21 £
<b>Income from:</b>					
Donations	3				
Donations		4,404	5,959,630	-	5,964,034
Grants		-	-	1,530,000	2,192,321
Trading activities	4	197,015	157,685	-	364,815
Other income		-	-	-	-
<b>Total</b>		201,419	6,117,315	1,530,000	7,848,734
<b>Expenditure on:</b>					
Raising funds	6	1,270,964	-	-	1,270,964
Charitable activities	7				679,711
Awarding grants		-	6,074,661	1,200,454	7,275,115
Localgiving website		(516,039)	-	-	(516,039)
Other expenditure		-	-	-	-
<b>Total</b>		754,925	6,074,661	1,200,454	8,030,040
<b>Net Income</b>		(553,506)	42,654	329,546	181,306
<b>Transfers between funds</b>	16	(4,180)	4,180	-	-
<b>Net movements in funds</b>		(557,686)	46,834	329,546	181,306
<b>Reconciliation of funds:</b>					
Total funds brought forward		35,064	110,851	1,072,980	1,218,895
<b>Total funds carried forward</b>	16	(522,622)	157,685	1,402,526	1,218,895

The notes on pages 25 to 43 form part of these financial statements.



## 4. Consolidated balance sheet

		Total funds	
	Notes	Year ended 31/03/22 £	Year ended 31/03/21 £
<b>Fixed Assets:</b>			
Tangible fixed assets	11	2,654,575	2,745,760
<b>Total fixed assets</b>		<b>2,654,575</b>	<b>2,745,760</b>
<b>Current assets:</b>			
Debtors	13	1,062,464	916,751
Cash at bank and in hand		750,982	1,185,037
<b>Total current assets</b>		<b>1,813,447</b>	<b>2,101,788</b>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	14	(1,370,528)	(1,570,729)
<b>Net current assets</b>		<b>442,919</b>	<b>531,059</b>
<b>Total assets less current liabilities</b>		<b>3,097,494</b>	<b>3,276,820</b>
Creditors: amounts falling due after more than one year	15	(2,059,906)	(2,057,924)
<b>Total net assets</b>		<b>1,037,589</b>	<b>1,218,895</b>
<b>Funds:</b>	16		
General funds		(522,622)	35,064
Designated funds		157,685	110,851
Restricted funds		1,402,526	1,072,980
<b>Total funds</b>		<b>1,037,589</b>	<b>1,218,895</b>

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf by:



**T Latchford**  
Chair of Trustees

Date: 18 August 2023

The notes on pages 25 to 43 form part of these financial statements.

## 5. Charity balance sheet

		Total funds	
	Notes	Year Ended 31/03/22 £	Year Ended 31/03/21 £
<b>Fixed Assets:</b>			
Tangible fixed assets	11	2,653,024	2,743,236
Investments	12	102	5
<b>Total fixed assets</b>		<b>2,653,126</b>	<b>2,743,241</b>
<b>Current assets:</b>			
Debtors	13	2,146,549	2,710,082
Cash at bank and in hand		642,116	545,988
<b>Total current assets</b>		<b>2,788,666</b>	<b>3,256,070</b>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	14	(997,494)	(977,435)
<b>Net Current Assets</b>		<b>1,791,172</b>	<b>2,278,635</b>
<b>Total assets less current liabilities</b>		<b>4,444,298</b>	<b>5,021,876</b>
Creditor: amounts falling due after more than one year	15	(2,059,906)	(2,057,924)
<b>Net assets</b>		<b>2,384,392</b>	<b>2,963,952</b>
<b>Funds:</b>	16		
General funds		981,866	1,780,121
Designated funds		-	110,851
Restricted funds		1,402,526	1,072,980
<b>Total funds</b>		<b>2,384,392</b>	<b>2,963,952</b>

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf by:



**T Latchford**  
Chair of Trustees

Date: 18 August 2023

The notes on pages 25 to 43 form part of these financial statements.

## 6. Consolidated cash flow statement

	Notes	Year Ended 31/03/22 £	Year Ended 31/03/21 £
<b>Cash flows from operating activities</b>			
Net cash from/(used by) by operating activities	18	(279,820)	737,408
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(109,378)	(273,464)
<b>Net cash used in investing activities</b>		(109,378)	(273,464)
<b>Cash flows from financing activities</b>			
(Loans repaid)/loan advances		(44,857)	(117,782)
<b>(Net cash used in)/net cash from financing activities</b>		(44,857)	(117,782)
<b>Change in cash and cash equivalents in the year</b>		(435,055)	346,162
Cash and cash equivalents brought forward		1,185,037	838,875
<b>Cash and cash equivalents carried forward</b>	19	750,982	1,185,037

The notes on pages 25 to 43 form part of these financial statements.

## 7. Notes to the financial statements

### 1 General Information

Localgiving Foundation is an unincorporated Charity registered at the Charities Commission with Charity number 1132411 (England and Wales) and SC047395 (Scotland) which is governed by its Trust Deed dated 21 October 2019. The Charity's objectives are set out in the Trustees' Report from page 1.

### 2 Accounting Policies

#### **Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) ("Charities SORP").

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

#### **Basis of consolidation**

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

The Charity also owns 97% of the issued share capital of Imapctful Group Limited. This entity has not been included within the consolidated financial statements on the grounds that it is dormant.

#### **Going concern**

The Charity is reliant upon voluntary income, in the form of donations from individuals, membership fees, and grant funding for specific programmes. Income across all of these streams has grown over the last 5 years. The Trustees are confident based on performance since the balance sheet date that there will be further increases in income over the next twelve months and beyond.

The Trustees have carefully managed the Charity through the Covid times, which have greatly impacted the plans for the Charity in a number of ways, such as the inability for the charity to launch its planned Subsidiary to undertake weddings to generate income at it's historic property. The operations of the Platform has not been adversely affected by the pandemic, which has actually led to an increase in donations. Overall the trustees have ensured there has been strong growth throughout the pandemic period and beyond and a secure and solid financial base to the Charity.

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

# Notes to the financial statements

## Accounting policies (continued)

### Income

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

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

Donation income from the platform is recognised once the above criteria have been met, together with the donor successfully completing the online donation process via the Localgiving website.

Membership subscription income is recognised in the period in which the services are provided on an accruals basis with amounts received in advance being shown in deferred income.

Commission income is recognised upon completion of the grant payments to the designated charities.

### Interest receivable

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

### Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 and allocated across the key objects of the Charity and include overall management of the Charity. Governance costs are those associated with the governing of the Charity not relating to fundraising, charitable activities or day to day management.

Governance costs comprise the management and administration cost for the running of the Charity.

All resources expended are inclusive of irrecoverable VAT.

### Operating leases

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

### Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

# Notes to the financial statements

## Accounting policies (continued)

### Intangible fixed assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Website development    20% straight-line

### Tangible fixed assets and depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office Equipment	30% straight-line
Fixtures & fittings	20% straight-line
Land & Buildings	2% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Freehold land is not depreciated. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Included within Land and Buildings is Shurland Hall, which has not been depreciated. The Trustees have obtained a third-party professional valuation of the property which is in excess of its carrying value. As a result, the Trustees do not consider depreciation of the building to be appropriate.

### Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Financial instruments

The Group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's policies for its major classes of financial assets and financial liabilities are set out below.

# Notes to the financial statements

## Accounting policies (continued)

### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### ***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

### ***Basic Financial Liabilities***

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.



# Notes to the financial statements

## Accounting policies (continued)

### Financial instruments (continued)

#### *Liabilities and provisions*

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

#### *Pensions*

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

The contributions are recognised as an expense in the statement of financial activities when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial activities. The assets of the plan are held separately from the Group in independently administered funds.

#### *Taxation*

The Charity is exempt from Income Tax and Capital Gains Tax on its charitable activities however the subsidiary's activities fall within the scope of Corporation Tax.

#### *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 and the costs associated with carrying out this service.

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 general fund.

#### *Critical accounting estimates and judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions: The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees have not identified any estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# Notes to the financial statements

## 3. Income from donations

Group	
Year ended 31/03/22 £	Year ended 31/03/21 £
Donations	8,418,079
Grants	2,192,321
<b>7,494,034</b>	<b>10,610,400</b>

In 2022, income from donations and legacies related to the following funds:

*Group:* £4,404 (2021: £62,109) was to general funds, £5,959,630 (2021: £8,355,970) was to designated funds, and £1,530,000 (2021: £2,192,321) was to restricted funds.

## 4. Income from trading activities

Group	
Year ended 31/03/22 £	Year ended 31/03/21 £
Localgiving website income	364,815
<b>354,700</b>	<b>364,815</b>

In 2022, income from trading activities related to the following funds:

*Group:* £306,617 was to general funds (2021: £364,815)

## 5. Investment income

Group	
Year ended 31/03/22 £	Year ended 31/03/21 £
Deposit account interest	-
Interest on loan to subsidiary	-
<b>-</b>	<b>-</b>

In 2022, investment income related to the following funds:

*Group:* £nil (2021: £nil)

# Notes to the financial statements

## 6. Raising funds

	Group	
	Year ended 31/03/22 £	Year ended 31/03/21 £
Support costs	1,270,964	679,771
	1,270,964	679,771

## 7. Charitable activities

	Group				
	Activities undertaken directly 31/03/22 £	Grant funding of activities 31/03/22 £	Support costs 31/03/22 £	Total Year ended 31/03/22 £	Total Year ended 31/03/21 £
Grants awarded to organisations	-	6,654,777	70,062	6,724,839	9,190,934
Localgiving website	34,237	-	-	34,237	566,284
	34,237	6,654,777	70,062	6,759,076	9,757,218

A full list of grants awarded in the year is available from the Foundation's registered office.

# Notes to the financial statements

## 8. Support costs

	Group			
	Raising funds	Charitable activities	Total Year ended 31/03/22	Total Year ended 31/03/21
	31/03/22 £	31/03/22 £	31/03/22 £	31/03/21 £
Depreciation and amortisation	142,730	-	<b>142,730</b>	35,612
Governance	29,610	-	<b>29,610</b>	23,016
Legal and professional fees	42,630	-	<b>42,630</b>	70,117
Consultancy fees	232,492	-	<b>232,492</b>	-
Bank charges	9,444	-	<b>9,444</b>	104
Payment provider fees	-	70,6062	<b>70,062</b>	94,623
Loan interest	264,683	-	<b>264,683</b>	272,050
Books	(542)	-	<b>(542)</b>	1,542
General expense	(25,542)	-	<b>(25,542)</b>	11,855
Cleaning	15,540	-	<b>15,540</b>	4,036
Insurance	13,060	-	<b>13,060</b>	5,577
Repairs & maintenance	53,161	-	<b>53,161</b>	100,548
IT consumables	2,512	-	<b>2,512</b>	7,315
Postage & stationery	2,190	-	<b>2,190</b>	2,845
Other consumables	-	-	<b>-</b>	29,667
Subscriptions	10,739	-	<b>10,739</b>	4,298
Premises costs	6,930	-	<b>6,930</b>	-
Wages & salaries	447,077	-	<b>477,077</b>	-
Advertising & marketing	68,453	-	<b>68,453</b>	7,200
Travel & subsistence	(16,343)	-	<b>16,343</b>	15,176
Staff training & welfare	6,187	-	<b>6,187</b>	104
Charitable & political donations	(38,834)	-	<b>(38,834)</b>	77,941
Utility	4,787	-	<b>4,787</b>	10,767
	1,270,964	70,062	<b>1,341,026</b>	774,334

Included in governance is Auditors' remuneration of £21,000 (2021 - £21,000).

# Notes to the financial statements

## 9. Staff costs and trustee remuneration

Group	
	<div> <div>Year ended</div> <div>31/03/22</div> <div>£</div> </div> <div> <div>Year ended</div> <div>31/03/21</div> <div>£</div> </div>
<b>Staff costs</b>	
Wages & salaries	403,839 356,151
Social security costs	34,686 33,937
Pension costs	8,553 7,073
	<b>447,078 397,161</b>
<b>Number of employees</b>	
Charitable activities	11 10
	<b>11 10</b>

There were two employees who received total employee benefits (excluding employer pension costs) in the year in the band £60,001 - £70,000 (2021 – no employee who received total employee benefits in excess of £60,000).

Total remuneration, including employer's NIC and employer's pension contributions, in respect of key management personnel totalled £300,166.

There was no Trustees' remuneration for the year ended 31 March 2022, nor for the year ended 31 March 2021. In addition, there were no Trustees' expenses paid for the year ended 31 March 2022, nor for the year ended 31 March 2021.

# Notes to the financial statements

## 10. Intangible fixed assets

		Group		
		Website Development	Goodwill	Total
		£	£	£
<b>Cost</b>				
At 01/04/2021		727,431	283,624	<b>1,011,055</b>
At 31/03/2022		727,431	283,624	<b>1,011,055</b>
<b>Amortisation</b>				
At 01/04/2021		727,431	283,624	<b>1,011,055</b>
At 31/03/2022		727,431	283,624	<b>1,011,055</b>
<b>Net book value</b>				
At 31/03/2022		-	-	-
At 31/03/2021		-	-	-

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. The Charity has no intangible assets in either the current or prior years.

# Notes to the financial statements

## 11. Tangible fixed assets

	Group				
	Office equipment	Land & Buildings	Furniture & artwork	Plant & Machinery	Total
	£	£	£	£	£
<b>Cost</b>					
At 31/03/2021	33,432	2,301,373	331,888	141,784	<b>2,808,477</b>
Additions	2,833	32,467	52,016	22,062	<b>109,378</b>
Disposals	-	(8,432)	(16,272)	(29,399)	<b>(54,103)</b>
At 31/03/2022	36,265	2,325,408	367,632	134,447	<b>2,863,752</b>
<b>Depreciation</b>					
At 31/03/2021	14,509	-	29,718	18,490	<b>62,717</b>
Charge for year	8,483	-	113,245	26,486	<b>148,214</b>
Depreciation on Disposal	-	-	-	(1,755)	<b>(1,755)</b>
At 31/03/2022	22,992	-	142,963	43,221	<b>209,176</b>
<b>Net book value</b>					
At 31/03/2022	13,273	2,325,408	224,669	91,226	<b>2,654,575</b>
At 31/03/2021	18,923	2,301,373	302,170	123,294	<b>2,745,760</b>

  

	Charity				
	Office equipment	Land & Buildings	Furniture & artwork	Plant & Machinery	Total
	£	£	£	£	£
<b>Cost</b>					
At 31/03/2021	16,399	2,301,373	331,888	141,784	<b>2,791,444</b>
Additions	2,433	32,466	52,016	22,062	<b>108,977</b>
Disposals	-	(8,432)	(16,272)	(29,399)	<b>(54,103)</b>
At 31/03/2022	18,832	2,325,407	367,632	134,447	<b>2,846,318</b>
<b>Depreciation</b>					
At 31/03/2021	-	-	29,718	18,490	<b>48,208</b>
Charge for year	7,110	-	113,245	26,486	<b>146,841</b>
Disposals	-	-	-	(1,755)	<b>(1,755)</b>
At 31/03/2022	7,110	-	142,963	43,221	<b>193,294</b>
<b>Net book value</b>					
At 31/03/2022	11,722	2,325,407	224,669	91,226	<b>2,653,024</b>
At 31/03/2021	16,399	2,301,373	302,170	123,294	<b>2,743,236</b>

# Notes to the financial statements

## 12. Fixed Asset investments

Localgiving Foundation owns 100% of the issued £1 ordinary share capital of Localgiving Ltd, a company registered in England and Wales (company number 07111208). Localgiving Ltd operates a website which allows donors to make charitable donations to small charities and community groups.

The results of the subsidiary are included in the consolidated financial statements.

Localgiving Foundation also owns 97% of the issued £1 ordinary share capital of Impactful Group Limited, a company registered in England and Wales (company number 13976603). Impactful Group Limited was incorporated on 15 March 2022 and is currently dormant. As a result, it has not been included within the consolidated financial statements.

## 13. Debtors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/22 £	Year ended 31/03/21 £	Year ended 31/03/22 £	Year ended 31/03/21 £
Trade debtors	219,129	215,754	193,092	149,629
Other debtors	86,621	101,821	80,000	396
Amount due from Localgiving Ltd	-	-	1,121,453	1,972,525
Prepayments and accrued income	756,714	599,176	752,004	587,532
	<b>1,062,464</b>	916,751	<b>2,146,549</b>	2,710,082

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

	Group		Charity	
	Year ended 31/03/22 £	Year ended 31/03/21 £	Year ended 31/03/22 £	Year ended 31/03/21 £
VAT payable	47,689	20,236	-	-
Trade creditors	142,539	103,954	138,324	163,568
Social Security and other taxes	10,298	8,733	-	-
Other creditors	133,839	424,330	40,355	-
Loans and overdrafts	796,615	796,616	796,615	796,616
Accruals and deferred income	239,548	216,860	22,200	17,251
	<b>1,370,528</b>	1,570,729	<b>997,494</b>	977,435



## Notes to the financial statements

### 15. Creditors: amounts falling due after more than one year

	Group		Charity	
	Year ended 31/03/22 £	Year ended 31/03/21 £	Year ended 31/03/22 £	Year ended 31/03/21 £
Loan	<b>2,059,906</b>	2,057,924	<b>2,059,906</b>	2,057,924
	<b>2,059,906</b>	2,057,924	<b>2,059,906</b>	2,057,924

The loan is secured by way of first legal mortgage over the property.

# Notes to the financial statements

## 16. Statement of funds

### Group statement of funds

	At 01/04/21	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/22
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	35,064	201,419	(754,925)	(4,180)	<b>(522,622)</b>
Designated fund – online donations	110,851	6,117,315	(6,074,661)	4,180	<b>157,685</b>
<b>Restricted funds</b>					
Wales Development	39,033	30,000	(35,584)	-	<b>33,449</b>
Magic Little Grants	1,033,947	1,500,000	(1,164,870)	-	<b>1,369,077</b>
Subtotal restricted	1,072,980	2,192,321	(1,200,454)	-	<b>1,402,526</b>
<b>Total funds</b>	1,218,895	7,848,734	(8,030,040)	-	<b>1,037,589</b>

### Charity statement of funds

	At 01/04/21	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/22
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	1,780,121	28,559	(822,634)	(4,180)	<b>981,866</b>
Designated fund – online donations	110,851	5,959,630	(6,074,661)	4,180	<b>-</b>
<b>Restricted funds</b>					
Wales Development	39,033	30,000	(35,584)	-	<b>33,449</b>
Magic Little Grants	1,033,947	1,500,000	(1,164,870)	-	<b>1,369,077</b>
Subtotal restricted	1,072,980	1,530,000	(1,200,454)	-	<b>1,402,526</b>
<b>Total funds</b>	2,963,952	7,518,189	(8,097,748)	-	<b>2,384,392</b>

# Notes to the financial statements

## 16. Statement of funds (continued)

**General fund (unrestricted)** represents the general operating funds of the Charity.

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

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

**Magic Little Grants (restricted)** represents monies received to deliver a small grant programme. This programme has been supported by six different trusts: Postcode Society Trust, Postcode Neighbourhood Trust, Postcode Community Trust, People's Postcode Trust, Postcode Places Trust and Postcode Local Trust.

## 17. Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under a non-cancellable operating lease which expires in March 2021.

	Year ended 31/03/22 £	Year ended 31/03/21 £
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
<b>Total commitment</b>	-	-

## Notes to the financial statements

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

	Year ended 31/03/22 £	Year ended 31/03/21 £
Net income for the year (as per Statement of Financial Activities)	<b>(181,306)</b>	538,226
<b>Adjustment for:</b>		
Depreciation charges	<b>148,215</b>	35,612
Loan interest	<b>288,838</b>	272,050
Gain on sale of fixed assets	<b>(5,485)</b>	-
(Increase)decrease in debtors	<b>(143,814)</b>	(408,474)
Increase/(decrease) in creditors	<b>(386,268)</b>	299,994
<b>Net cash provided by/(used in) operating activities</b>	<b>(279,820)</b>	737,408

### 19. Analysis of cash and cash equivalents

	Year ended 31/03/22 £	Year ended 31/03/21 £
Cash in hand	<b>750,982</b>	1,185,037
<b>Total</b>	<b>750,982</b>	1,185,037

# Notes to the financial statements

## 20. Analysis of net assets between funds

### Analysis of net assets between funds - current period

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2022 are represented by:				
Fixed assets	2,654,575	-	-	2,654,575
Current assets	253,236	157,685	1,402,526	1,813,448
Creditors due within one year	(1,370,528)	-	-	(1,370,528)
Creditors due after more than one year	(2,059,906)	-	-	(2,059,906)
	(522,621)	157,685	1,402,526	1,037,589

### Analysis of net assets between funds - prior period

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Fixed assets	2,745,760	-	-	2,745,760
Current assets	917,957	110,851	1,072,980	2,101,788
Creditors due within one year	(1,570,729)	-	-	(1,570,729)
Creditors due after more than one year	(2,057,924)	-	-	(2,057,924)
	35,064	110,851	1,072,980	1,218,895

# Notes to the financial statements

## 21. Related party disclosures

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

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

During the year, £5,959,629 (2021 - £8,355,970) in online donations and £1,530,001 (2021 - £2,192,321) in grant funding was received by Localgiving Ltd on behalf of Localgiving Foundation. Localgiving Ltd paid out £6,995,660 (2021 - £7,657,116) in grants to local charities and recharged £579,528 (2021 - £601,167) in transaction fees, which are eliminated upon consolidation. At 31 March 2022 Localgiving Ltd owed £17,981 (2021 - £184,048) 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 included within debtors an amount totalling £1,121,453 (2021 - £1,517,252) owed to Localgiving Foundation plus accrued interest of £295,277 (2021 - £271,122).

At the year end, Localgiving Foundation owed a total of £2,856,521 (2021 - £2,854,540) to a Trustee that was provided as a bridging loan at significantly better terms and rates than other financing options available to the Localgiving Foundation at the time or after. Interest is payable at 9.75% per annum and £643,579 (2021 - £378,896) of cumulative interest has been accrued. The loan is secured by way of a legal charge and repayable on flexible terms without penalty in 43 months from the year end date.

# Notes to the financial statements

## 22. Subsidiary company

The wholly owned subsidiary, Localgiving Limited (company number 07111208), maintains and operates the donations platform through which the Foundation receives donations and disburses grants. The database is run on a commercial basis for which the company receives commissions and other related income from the Foundation and other member charities. The results of the subsidiary are summarised below:

	Total funds	
	Year ended 31/03/22 £	Year ended 31/03/21 £
<b>Profit and Loss Account</b>		
Turnover	901,071	1,154,224
Cost of sales	(34,237)	(32,868)
<b>Gross profit</b>	<b>866,834</b>	1,121,356
Administration expenses	(460,045)	(535,485)
Other operating income	-	-
<b>Operating profit</b>	<b>406,789</b>	585,871
Interest receivable	9,001	3,795
Interest payable	(24,155)	(40,517)
<b>Profit before tax</b>	<b>391,635</b>	549,149
Taxation	6,617	35,645
<b>Profit after tax</b>	<b>398,252</b>	585,794
<b>Balance Sheet</b>		
Fixed assets	1,551	2,525
Debtors	37,368	181,094
Bank	108,866	639,267
Creditors less than 1 year	(391,112)	(779,563)
<b>Net current assets</b>	<b>(244,878)</b>	40,798
Creditors greater than 1 year	(1,1,03,472)	(1,783,374)
<b>Net liabilities</b>	<b>(1,346,799)</b>	(1,745,051)
Share capital	5	5
Profit and loss account	(1,346,804)	(1,745,056)
	<b>(1,346,799)</b>	(1,745,051)

