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Localgiving Foundation

Trustees' report and audited financial statements

For the year ended 31 March 2025

Registered Charity Number (England & Wales): 1132411

Registered Charity Number (Scotland): SC047395

The Trustees present their report with the financial statements of the Charity and the Group for the year ended 31 March 2025.

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")

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Trustees

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Charity Commission no. **1132411**

Overview

Organisational Structure

Localgiving Foundation is a leading UK charity dedicated to helping local communities thrive.

We achieve this through two key initiatives:

1. Community Platform

The Localgiving platform – [Localgiving.org](https://localgiving.org) (the "Platform") – equips local community charities and nonprofit groups with powerful online tools to amplify their fundraising efforts.

Our partnerships with major grantmakers enable us to provide small grants and match funding to these groups. This year, we proudly won the Charity Times Award for Best Commercial Partnership in collaboration with National Grid. Together, we've distributed tens of millions of pounds to address the UK's fuel poverty crisis.

We also launched groundbreaking AI grant fundraising tools, empowering charities across the UK to identify and apply for grants with generative AI technology. Over the last 15 years, the Platform has grown to become the UK's leading resource for local charities and community groups.

2. Community Castle: Shurland Castle

To drive long-term socio-economic transformation in the UK's most deprived areas, the Charity invests in educational and cultural opportunities for children. Recognising a gap in access to transformational learning experiences, the Charity acquired Shurland Castle in November 2019 with the aim of restoring the historic building and repurposing it as an immersive educational environment for children.

Shurland Castle has significant historic importance. Henry VIII is recorded as having brought Anne Boleyn to visit the site, and Winston Churchill learned to fly nearby during the early development of aviation. Despite this heritage, the Castle had fallen into disrepair after many years of private ownership.

The Charity undertook the challenge of restoring the site and transforming it into a place where children and families can experience creativity, learning and exploration. The project aims to preserve the historic building while enabling it to serve a meaningful public purpose for the local community.

The Charity is developing Shurland Castle as a story-led immersive learning environment referred to as the 'School of Magic'. The concept uses narrative, theatre and creative play to engage children in collaborative learning activities that build confidence, curiosity and problem-solving skills. Within this setting, historical themes, creative making and storytelling are used to support experiential learning and social-emotional development.

Through these story-driven environments, children are transported into imaginative worlds where they participate in collaborative challenges and creative exploration. By combining heritage architecture, theatrical storytelling and playful learning, the Castle creates a unique educational experience that encourages curiosity, creativity and teamwork while supporting children's social and emotional development.

Through this approach the Charity aims both to safeguard an important historic building and to create a unique educational environment that benefits children and families in the surrounding region.

The Charity has developed its programme model around three complementary layers of delivery. The first is the School of Magic itself – a place-based immersive environment at Shurland Castle, where heritage

architecture, storytelling and creative play combine to create powerful learning experiences rooted in the site's history and character. The second is the Magic Classroom – a curriculum and content layer through which the immersive methodology can be applied within school and community settings, transforming everyday spaces into engaging learning environments. The third is the Magic Bus – a scalable outreach model designed to bring immersive, story-led experiences directly to schools, historic sites and community venues, ensuring that children who cannot visit the Castle can still benefit from the approach. Together, these three layers allow the Charity to develop and test its model at the Castle while building the foundations for wider reach and impact.

Community Platform ([Localgiving.org](https://localgiving.org)) Overview

Localgiving has developed a unique proposition that integrates online donations with grant funding seamlessly. We are the only platform offering charitable causes a comprehensive solution to manage all their fundraising needs under a single subscription. With over 2,300 members, Localgiving supports a wide range of charitable objectives across all UK regions, distributing over £6million in grants, donations, and associated Gift Aid in 2025.

A return to our mission

The 2025 Financial Year has marked one of the most remarkable periods in Localgiving's transformation. The organisation has returned to its founding mission: to inspire the non-profit community through technology that is usually only accessible to the most well-funded national organisations. 15 years ago the Foundation, and the Limited Company, were founded to bridge the capacity gap between well-staffed national charities and incredibly impactful local causes. Grassroots organisations were excluded from the revolution in digital fundraising, unable to invest in the technology required to take donations online. In 2010 Localgiving launched with an online donation platform to serve that need, then we tackled the operational burden of claiming Gift Aid with no staff to do so, our mission took us into grant administration so we could help funders reach the UK's smallest (but just as deserving) causes, and now that mission has brought us to lead the UK's conversation around AI & fundraising with some of the most forward thinking technology in the country.

Everything we've done in the last few years has helped build the phenomenal platform for us to pioneer the industry in this bold new AI era. Our rapidly growing work with grant funders and small charities alike means we are unique in understanding the risks and opportunities for both sides. Our long investment into our underlying platform in 2024 has given us the tools to iterate quickly and respond to the rapidly changing AI environment, and our consistent hands-on work with the sector has given us the trust that we can handle this technology with care and empathy.

Impact of platform relaunch

The results have already started to become visible. Localgiving's new platform started development in June 2024 with our first updates in January to the registration journey, donations, and CRM functionality. The new platform saw an immediate improvement in registration conversion, with 17% of users getting to the payment step (up from just 2% for the previous journey). The new donation platform generated 15.2% more donations from our donor base in the final quarter of FY2025 compared to the same period last year - a trend that has remained consistent through the rest of the calendar year. Finally, the new CRM tools allowed our members, using AI and message automation, to send 86k messages to their donors, up from just 38k the previous year. These metrics reflect the establishment of our new and modern products, and their ability to act as a platform for the AI tools we would be releasing next.

Developments in AI

Localgiving started working on our first Beta version of the AI tools in November of 2024, releasing a limited version of the product in stages between January to March of 2025. We learned an enormous amount from our early users and are proud to have released the iteration we're now happy to market in Charity Commission no. **1132411**

November 2025. Although it is very early days, the initial reception has been exciting both for us and our users. In the last two months (November & January with December usually low on grant activity) 247 organisations have signed up to try using the products, 510 have used our new grant search functionality, finding 2078 fundraising opportunities. It is too early for these numbers to have started to translate into membership but the reaction has been consistently encouraging. Members have shared feedback such as *"Wow, wow, wow we have been spending literally 100's of hours on doing all this manually!"* and we look forward to another year bringing our transformational products to help the whole sector.

New programmes for Grant Administration

The work we've done on the product & technology side is mirrored by developments in the grant administration side of the team. Having spent almost a year working with National Grid to support the development of their Community Benefits programme, and working through the release of new government guidelines in March 2025, Localgiving was delighted to support the organisation launch their programme in three initial regions in January 2026. Although our timelines had to be extended to take into account releases in government guidance, the work we did allowed us to engage a broad range of non-profit and local experts to deliver a scalable means to ensure grant funds truly reflect the needs of local communities. We were equally thrilled to start conducting similar work with the Community Benefit teams at Scottish Power Energy Networks (SPEN), partnering with them to deliver the Grassroots Pilot for their own Community Benefit programme; supporting not only local causes throughout Scotland, but also helping the country move towards a greener future, and doing so to tight regulatory constraints. As with National Grid, these developments have given us the opportunity to help facilitate the interaction between corporations wanting to make amazing differences to the communities they serve, and the network of funders and non-profit organisations with whom they may collaborate. These interactions have demonstrated the goodwill on all sides of the conversation and we're already seeing how that collaboration is a win-win-win for all parties, not least the communities who can benefit from the funding and capacity being offered.

Organisational Structure & leadership

On 31st October 2025 one of our directors, Dave Erasmus, resigned his post to leave more time to spend with his new daughter. We're very grateful for the support and wise advice that Dave has provided over the last few years and wish him and his family all the best. The company will be exploring replacements over the coming months.

Thank you to our amazing community

We're very grateful for the many charitable organisations, funders, and corporate partners that have helped us this year through numerous conversations, testing calls, countless requests for feedback, and tremendous support. This engagement helps us to deliver the best possible grant programmes and amazing new technology, which we truly believe can fundamentally transform the way thousands of charitable organisations manage their fundraising.

Community Castle Overview

Localgiving acquired Shurland Castle in November 2019 with the intention of developing the site as a long-term charitable asset dedicated to children's learning, creativity and wellbeing. From the outset the vision has been to transform the historic site into a living environment where heritage, storytelling and imaginative play come together to support children's development.

The project reimagines how heritage spaces can function in modern society. Rather than serving purely as historical attractions, heritage buildings can act as active cultural infrastructure for children and families, supporting curiosity, creativity and shared discovery.

The Castle is being developed around the concept of a 'School of Magic' – a narrative framework through which children explore history, creativity and teamwork through stories, puzzles and collaborative activities. This approach allows educational content to be delivered through engaging, memorable experiences that encourage curiosity and participation.

Localgiving's Mission

The opening paragraph of the Government's white paper, *Levelling Up the United Kingdom*, recognises the crucial role of charities in 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." Inspired by this vision, Localgiving Foundation has redefined its mission to create beacons of opportunity and innovation in the UK's most disadvantaged areas.

Having spent years addressing fundraising inequality in overlooked Geographical areas, the charity decided to compliment it's activities by utilising excess income from the platform to address geographical inequality directly. By engaging in the same sorts of activities as the thousands of grassroots organisations the platform funds, the charity not only aims to build a bridge between itself and the communities we support, but also make a meaningful impact directly. These ambitions led the Foundation to acquiring and redeveloping a privately held and underused property to be used to support the local community.

Addressing Geographical Inequality

Over ten years, the Charity operated its Platform to encourage fundraising for established community groups. Despite significant efforts, data revealed a persistent problem: the most impoverished areas often lacked the bold, pioneering initiatives needed to attract investment and inspire local transformation. This insight led the Trustees to a critical conclusion: to create a legacy of levelling up, the Charity must actively initiate and establish innovative opportunities in these areas.

The Charity's work seeks to explore how environments centred around storytelling, play and curiosity can help support children's wellbeing and learning in ways that complement traditional educational structures.

At the same time, children are experiencing profound changes in their social and digital environments. Increased screen use and highly structured schedules can reduce opportunities for unstructured play, shared discovery and creative experimentation. Research suggests these changes may contribute to rising levels of anxiety and reduced opportunities for social connection among young people.

Education systems in many countries were designed for a different era and often prioritise standardised learning methods and rote memorisation over curiosity-driven exploration and creativity. Increasingly educators and researchers are questioning whether traditional models adequately prepare children for the challenges and opportunities of the modern world.

Immersive Educational Spaces

The Charity's approach draws on growing research suggesting that children learn most effectively when they are actively engaged through exploration, creativity and storytelling. Immersive environments allow children to experiment, collaborate and discover concepts through experience rather than memorisation alone. The Charity's educational model is grounded in the view that, as knowledge becomes increasingly accessible, the ability to apply judgement and navigate uncertainty – qualities developed through lived experience and play – becomes ever more important. Research into play as a developmental mechanism indicates that exploratory, unstructured activity supports emotional regulation, adaptability and resilience; qualities that are increasingly valued by educators, employers and policymakers as essential for navigating a rapidly changing world. The model works through two complementary mechanisms: play

reduces barriers to learning by engaging children in ways that bypass anxiety about formal instruction, while complex ideas are introduced through intuitive, story-based building blocks that allow children to develop understanding earlier and more confidently than traditional approaches often allow.

Through Shurland Castle the Charity is exploring how physical environments, narrative experiences and responsible uses of technology can combine to create powerful learning moments that support both intellectual development and emotional wellbeing.

A meticulously crafted plan emerged to establish spaces for inspiring education for children, designed to immerse them in fairy-tale worlds where they can learn real-world skills, including social-emotional learning (SEL), and engage in project-based learning. The focus was placed on repurposing inspiring yet deteriorating historic buildings—those in private ownership, heading towards disrepair, and lacking public accessibility—into vibrant educational spaces where children can combine imaginative experiences with practical skill-building and personal development. A report by the Education Policy Institute demonstrated that children from deprived areas are more likely to face mental health challenges, negatively impacting their academic performance and limiting future opportunities. Inspired by the acclaimed Maggie's Centres, which intertwine art, architecture, and nature, the Trustees devised a plan for educational spaces that prioritize children's mental health and holistic development, envisioning these as scalable models for local impact.

The Charity believes creativity, play and curiosity are essential components of healthy childhood development. Through its work the Charity aims to contribute to broader discussions about how learning environments can support children's wellbeing, creativity and social connection.

Supporting Local Schools and Hospices

A core objective of the Charity's work is to ensure that the benefits of the Castle extend beyond visitors and become embedded within the surrounding community. Schools, youth organisations and charities are invited to participate in activities and pilot programmes that encourage curiosity, creativity and collaboration.

The Charity is particularly interested in ensuring that children from underserved communities have access to cultural and educational experiences that might otherwise be unavailable to them.

Through this initiative, the Trustees aim to create a lasting legacy by fostering creativity, skill-building, and emotional intelligence in children. Over the last year, the Charity has been designing learning outcomes in collaboration with local schools for school trips, ensuring that children benefit from project-based learning and social-emotional development. The Castle will also support children's hospices, with a particular focus on the siblings of children affected by terminal or life-limiting illnesses. In 2019, the search for a suitable property led to Shurland Castle ("The Castle") in Sheerness on the Isle of Sheppey, which 2025 IMD data shows to have areas in the top 1% most deprived in the UK, with particularly high deprivation indices around education and skills. Shurland Castle, steeped in national history as the site where Henry VIII brought Anne Boleyn and Winston Churchill learned to fly, had fallen into neglect after decades of private ownership. The Spitalfields Trust spent nearly a decade restoring the building, but the 2008 financial crash stalled their ambitious plans. The Charity completed its purchase of the Castle in late 2019, intending to revitalise it as a prototype for levelling up deprived areas. Among the first major projects was stabilising the walls surrounding the property, which were at risk of collapse. Working closely with MMA Architects, significant efforts were undertaken to reinforce these very high walls, ensuring their safety and preserving the historic character of the Castle while laying the groundwork for its transformation into an educational hub.

Progress and Achievements This Year

The Charity has also begun developing Peace Labs, an independent research initiative exploring how children learn and how emerging technologies such as artificial intelligence can be integrated responsibly

into educational environments. Peace Labs is intended to bring together educators, researchers and practitioners to examine future skills for the 21st century, personalised learning journeys, the impact of AI on education, and children's wellbeing. A particular focus is developing evidence-based evaluation frameworks that move beyond standardised testing to capture meaningful measures of learning, curiosity and emotional wellbeing. The Trustees recognise that research into the impact of technology and AI on children is growing rapidly, and that establishing an evidence base and research leadership early is a strategic priority. Formal outreach to potential academic partners, including the University of Oxford, is underway as part of this work.

During the year the Charity also designed a structured programme for educational school visits to Shurland Castle. The first pilot of this programme was delivered with a local Kent-based school. As part of the immersive learning experience, the children travelled back to the Tudor period and took part in a story-led educational journey where they met characters including Henry VIII and explored Tudor history through play, creativity and collaborative activities. The pilot combined history, storytelling and creative making. The children created shields representing their personal values and worked with their teacher to develop rhyming couplets describing these values. These were compiled into a hand-painted illustrated book created by the students. The book was subsequently printed as a softback publication for the pupils to keep as a record of their work. The children's reflections and interviews from the experience were also featured as part of a documentary television programme about the project.

During the year the Charity continued developing its educational concepts and testing immersive learning experiences at Shurland Castle. Pilot events and creative sessions were organised to explore how story-led activities can engage children in collaborative learning and imaginative play.

Alongside these activities the Charity continued developing partnerships and refining the educational concepts that will underpin future programming at the Castle.

During the year the Charity also strengthened the team supporting the project. Maisie Goodfellow, an Oxford graduate in Fine Art, joined the organisation as a full-time member of staff working on grant applications and supporting the creative development of immersive events at the Castle.

The Charity has also been working with Dr Aaron Reynolds, a leading child psychologist and safeguarding specialist, to help inform the development of immersive learning experiences and ensure that programmes are designed with careful consideration of child development and safeguarding.

Representatives from Demelza Children's Hospice attended one of the Charity's trial immersive events at the Castle and the Charity hopes to collaborate with Demelza and other organisations to develop future programmes supporting children and families affected by serious illness.

During the year the Charity also secured access to an additional estate location for pilot programming. A substantial private estate with extensive woodland and grounds – located approximately 40 minutes from Shurland Castle – has been offered to the Charity for use in delivering children's experiences and events. This represents a significant in-kind asset that will allow the Charity to develop and test forest-based and outdoor immersive learning experiences while restoration work at Shurland Castle continues. The availability of this additional site materially strengthens the Charity's near-term delivery capacity.

The Charity's work seeks to explore how environments centred around storytelling, play and curiosity can help support children's wellbeing and learning in ways that complement traditional educational structures.

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Education systems in many countries were designed for a different era and often prioritise standardised learning methods and rote memorisation over curiosity-driven exploration and creativity. Increasingly educators and researchers are questioning whether traditional models adequately prepare children for the challenges and opportunities of the modern world.

During the year the Charity continued to test the potential of immersive educational experiences at the Castle. Pilot events explored how historical storytelling, creative play and theatrical settings can help children engage more deeply with learning. These activities provided practical insight into how immersive environments can support collaboration, creativity and confidence while reinforcing the Charity's theory of change. Community events also demonstrated strong local interest in the project, with more than 100 residents attending the Castle's Summer Jazz fundraiser in partnership with local organisations including Sheppey Matters, Rotary Clubs and the Women's Institute.

The Trustees have assembled a world-class team to bring this vision to life. The architectural team is now led by MMA Architects, with Martin Ashley as the lead architect. Martin Ashley, renowned for his restoration of Sheerness Dockyard Church led by Will Palin on the Isle of Sheppey, has also worked on several high-profile restoration projects. Lucy Ridley, formerly Head of Creative Development at Secret Cinema and the Royal Opera House, leads the creative team, ensuring the spaces are theatrical and immersive.

The Charity has secured a grant from the Architectural Heritage Fund to catalyse restoration plans and has partnered with Kingston University to develop sustainability plans, led by a Trustee who is an alumnus and former head of operations for Vivid Economics, a leading sustainability consultancy acquired by McKinsey. This work aligns with the Charity's commitment to innovative, sustainable materials in the restoration process.

To ensure the project's success and safeguard its beneficiaries, the Charity has expanded its board of Trustees. In the last year, we had a new Trustee start with expertise in safeguarding children, currently serving as a Head of Department at a leading UK public school and with experience as Governor of a state school.

The Charity's work operates at the intersection of several areas of growing social and policy interest, including children's wellbeing, experiential education, heritage regeneration and responsible technology. Across the UK there is increasing recognition of the need to provide children with opportunities for creative play, cultural participation and learning environments that encourage exploration and collaboration.

Summary

The Charity's long-term ambition is to demonstrate how imaginative learning environments, heritage spaces and responsible technology can combine to create new opportunities for children's creativity and wellbeing.

By combining immersive experiences, research-led thinking and community engagement, the Charity hopes to contribute to broader conversations about how society can support children in developing curiosity, confidence and creativity.

Localgiving Foundation achieves remarkable impact with a lean, highly motivated, and skilled team and Trustee board. By fostering collaboration between children's charities on the Isle of Sheppey and across Kent, the Charity creates opportunities to address urgent local needs while avoiding duplication of efforts. Its vision is to revolutionise how charities connect with supporters and funders, as demonstrated by its ambitious new platform and impactful collaborations. From the Bristol Baby Bank supporting its 10,000th family to helping National Grid fund over 700 projects through last winter's Fuel Poverty Fund, Localgiving Foundation's efforts have been recognised with a Charity Times Award.

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With Shurland Castle as its flagship project, the Charity aims to demonstrate how heritage sites can be repurposed as vibrant centres for children's creativity, learning and wellbeing. Through immersive educational environments, collaborative partnerships and community engagement, the Charity seeks to expand access to cultural and educational experiences for children while safeguarding an important historic building.

Governing Document

The Charity is constituted and governed by the Trust Deed dated 20 October 2009, as amended on 16 April 2013, 20 March 2017, and 21 October 2019 (the "Trust Deed").

Organisational Structure

The Charity commissions Localgiving Ltd (the "Subsidiary") to operate its grant distribution and fundraising platform, Localgiving.org. The platform is entirely impact-driven but operates as a subsidiary to effectively manage tax, risks, and the competitive demands of a technology-focused organisation. The Charity also owns Shurland Castle (the "Castle"), which serves as a cornerstone for its mission to reduce geographical inequality and support children's education and development.

Trustee Appointments and Training

New Trustees are appointed by the existing Trustees through an ordinary resolution at a Trustee meeting or by written resolution. The Charity requires a minimum of three Trustees, with no maximum specified.

The Trustees collectively bring a wealth of expertise critical to the Charity's governance. This includes nonprofit leadership, corporate finance, therapeutic services, technology entrepreneurship, and professional theatre production. Trustees receive a comprehensive induction covering key information about the Charity and its subsidiaries. Their responsibilities are reviewed annually, with updates provided on governance requirements and best practices.

Decision-Making

The Charity's strategic direction, administration, and governance are overseen by a board of Trustees, comprising a Chair and three other members. Trustees meet at least quarterly and are actively involved

in major partnerships, financial oversight, and key charitable activities. They also serve as ambassadors, representing the Charity at events and engaging with stakeholders.

While Localgiving Ltd operates with its own team to manage day-to-day activities, the Charity relies on its Trustees for strategic leadership and oversight. The Trustees work closely with the subsidiary's CEO and staff to ensure alignment with the Charity's objectives. The CEO communicates regularly with the Chair and attends board meetings as necessary, providing updates on operations, risks, and opportunities.

Subsidiaries and Oversight

The Charity owns two subsidiaries: Localgiving Limited (100%) and Impactful Group Limited (97%), with the remaining 3% of the latter held by independent advisors. Impactful Group Limited has been dormant since incorporation and was closed down in August 2025, while Localgiving Limited is an active, thriving entity.

Localgiving Limited's board of directors meets quarterly to oversee operations, risk management, and financial performance. It reports regularly to the Charity to ensure its activities align with the Charity's mission and objectives. Staff within the Subsidiary are structured into three primary functions: Technology/Product, Business Development, and Customer Success. Flexible teams deliver projects such as new technology initiatives, regional development programmes, and match-funding campaigns.

Remuneration of Key Management Personnel

The subsidiary's remuneration committee, comprising the Charity's Trustees, the subsidiary's board, and the CEO, reviews and sets staff salaries annually. The subsidiary is a Living Wage employer and ensures fair compensation for staff, with senior management salaries benchmarked against comparable-sized technology companies.

Managing Conflicts of Interest

The Trustees are diligent in managing conflicts of interest, adhering to the Trust Deed, internal policies, and Charity Commission guidance. A Conflicts of Interest Register is maintained, documenting any conflicts and their resolution. When necessary, legal advice is sought to ensure compliance with applicable legislation, such as the Companies Act 2006 and the Charities Act 2011.

Specific measures are in place to address potential conflicts:

- Two Trustees are connected persons by virtue of being married.
- One Trustee provided a bridging loan to help acquire Shurland Castle. This arrangement was carefully managed to ensure the Charity benefited from more favourable terms than would have been available on the open market.
- A license agreement permits Trustees to stay at Shurland Castle when fulfilling their duties, ensuring no unauthorised benefits occur.

These measures are transparently managed, following express provisions in governing documents and Charity Commission guidance.

Related Parties

As of 31 March 2025, the Charity holds 100% of the shares in Localgiving Ltd and 97% of the shares in Impactful Group Limited, with the remaining 3% held by independent advisors. Localgiving Ltd became a wholly owned subsidiary on 28 October 2015. As a trust, the Charity holds its shares through a trustee for the benefit of the Charity.

The subsidiary, Localgiving Ltd, acts as the Charity's agent for receiving donations, claiming Gift Aid, and distributing grants. Restricted funding received by the Charity may be allocated to the subsidiary to cover programme costs as stipulated in grant agreements.

The Charity maintains oversight of loans made by former Trustees before July 2017. No new loans have been issued by the current Trustees, beyond two advances accounted for in prior financial forecasts.

Objectives and Activities

Public Benefit

Throughout the year the Trustees have had regard to the Charity Commission's guidance on public benefit. The Charity's activities are designed to advance education and support children's wellbeing by providing access to creative, experiential and culturally enriching learning environments.

The Charity particularly seeks to ensure that children from underserved communities are able to participate in activities that support curiosity, creativity and collaborative learning. By developing inclusive programmes and partnerships with schools, charities and community organisations, the Charity aims to broaden access to experiences that might otherwise be unavailable to many young people.

The Trustees believe that projects such as the Community Castle at Shurland Castle demonstrate how heritage, storytelling and play can be used to create environments that support both educational development and social wellbeing.

The Objects of the Charity, as outlined in the Trust Deed, 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 broad charitable purposes, it focuses on helping communities flourish both nationally and locally through two primary initiatives:

Community Platform

The Charity commissions its subsidiary to deliver the technology platform, Localgiving.org (the "Platform"), which supports small charities and nonprofits by providing grant delivery programmes, fundraising tools, and innovative services. The Platform reflects the Charity's commitment to empowering smaller organisations through the use of cutting-edge technologies.

Notable features of the Platform include:

- **Generative AI:** Helping small charities without native English speakers draft high-quality grant applications comparable to professional bid writers.
- **Accessible Fundraising Interfaces:** Designed for older and less computer-literate users to ensure inclusivity.
- **Acting as an Intermediary Grant distributor:** Providing the technology and support required for corporate grant makers to distribute grants to thousands of grassroots projects.

The Platform has a proven track record of partnering with leading funders and is currently collaborating with National Grid and Scottish Power Energy Networks on grant campaigns. Together, in FY2025, they have raised and distributed over £1.4million in funding for front-line organisations addressing key issues, including Diversity & Inclusion in employment, STEM education, and Fuel Poverty. By leveraging technology, the Platform provides critical resources that smaller charities might otherwise lack access to, enabling them to thrive and make a meaningful impact.

Community Castle

The Charity is dedicated to reducing geographical inequality in the UK by creating physical community spaces that inspire education and foster opportunities for the next generation. Shurland Castle (the "Castle"), a Grade II* historic property on the Isle of Sheppey, serves as the Charity's flagship pilot project. This ancient site, where Henry VIII visited with Anne Boleyn and Winston Churchill learned to fly, is being repurposed into a hub for educational and creative development for children.

The Castle's mission is to offer immersive, educational experiences that combine:

- **The Arts and Theatre:** Using storytelling and role-play to spark creativity and engagement.
- **Project-Based Learning:** Encouraging practical skill-building through real-world challenges.
- **Nature Integration:** Leveraging the outdoor environment to enhance children's mental and emotional development.

The Charity envisions the Castle as a space where children can learn essential life skills, foster emotional intelligence, and develop their imagination through immersive educational programmes. By restoring and transforming this historic property, the Charity ensures that it serves as a beacon for educational excellence and community enrichment, with plans to scale this model to other historic sites across the UK.

Localgiving Platform

Purposes and public benefit

Localgiving is a unique fundraising platform offering a combination of online donations with grant application tools. We work with over 2,300 charitable organisations that cover every UK region and charitable objective.

Collectively we help local groups raise around £7m per year and have generated more than £72m in funding for our members since the platform was established. By number of grants distributed, the platform currently ranks among the largest grant-giving foundations in the UK, sitting above organisations including the Virgin Foundation and just below Goldman Sachs.

Four key things set Localgiving apart from other fundraising platforms:

1. **Focus on technology & AI:** Localgiving has a strong commitment to developing technology to overcome issues faced by nonprofits. From AI grant writing to optimising SEO to increase donations, we believe in short-term investment for long-term sustainability.
2. **Democratise giving:** We support nonprofit organisations of all types including CICs and CIOs, and we carry out our own extensive due diligence checks including anti-money laundering and fraud.
3. **Combining grants and donations:** We believe that charities are strongest when combining grant project funding with sustainable donations and yet the UK sector sorely needs a platform that can combine both.

4. **Match funding programmes:** We want to help our members raise more direct debits but know they often struggle to find a credible reason to request this from donors. By focusing our match funding campaigns on direct debits we create more sustainability in the voluntary space.

The subsidiary is operating the platform to achieve these outcomes at the instigation of the Charity.

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

- **Local community groups** who struggle with access to funding. They are often highly cost-effective as they tend to be volunteer-run, but lack skills to reach key audiences. We provide them with:
 - Free articles, webinars & advice
 - AI tools that help them reduce the effort in applying for grants, especially around prospecting for grants, planning projects for grants, research required to support grants, and drafting bids
 - A low-cost fundraising solution that combines grant management & online donations
 - Access to simplified grant funding
- **Larger funders** who would like to support a diverse range of community groups and give grants efficiently and securely but lack the internal capacity and technologies to do so. We provide them with:
 - Targeted access to relevant local charities to receive their grants
 - Affordable due diligence and payment solutions
 - Advocacy and advice on how best to distribute funds
 - Grant distribution through an arms-length organisation for regulatory purposes
- **UK donors** who want to support local people and groups but don't have an effective way of finding them. We provide them with:
 - An SEO-optimised way to find local causes to donate to
 - Match funding opportunities to maximise their impact
 - A simple way to fundraise for local causes online

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 the cost-of-living crisis and winter fuel payment issues on a local level.

Long term objectives

- Help to strengthen communities by increasing funding of the local voluntary sector
- Build capacity in community organisations by diverting effort away from fundraising and towards delivery of front line services
- Build sustainability by introducing organisations who only fundraise through donations or grants to using both
- Build public awareness of the value and opportunities of the local voluntary sector

Short term objectives

- Build capacity in community organisations by reducing the time spent applying for grants
- Enable grantmakers to more easily distribute grants to small local organisations
- Improve overall access to grants by offering AI-enabled grant matching and application tools
- Increase the proportion of smaller grants distributed to grassroots organisations vs. national ones by improving the quality of applications submitted by smaller causes

Activities & Achievements

The Platform conducts two main activities: running the digital platform and securing funding for local charitable causes.

Technology activities

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 for donation reporting and enables charities to send messages to supporters. The platform provides a suite of tools to help charitable organisations plan projects and apply for funding including; talking to an AI fundraising consultant in any language, through chat or voice, to help plan a project for grant funding, completing research to help support grant applications, conducting automated prospecting scans to find grant opportunities, and using the Bid Writer to draft grant applications that reflect a grant funder's priorities.

Funding activities

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

In this financial year, the Platform has succeeded in raising £7million of funding for charitable organisations. Having rebuilt our entire product suite in the previous year, we have pressed ahead and delivered impactful new AI tools. Our grant volumes and beneficiaries continue to climb, having now distributed c. £23million in grants since 2019. We have launched two new grant programmes in the last year that we hope to replace the volume lost since we stopped working with PPL in 2024.

AI Grant Tools

A 2019 study by the Commission on Civil Society revealed that charities waste up to £1 billion annually on failed grant applications. This problem is particularly severe for smaller charities (those with an income of less than £100,000), where volunteers often shoulder the challenging task of grant writing, diverting their time and energy from delivering core charitable services. Alarming, these organisations spend an estimated 38% of their grant funding applying for onward grants. The research, conducted by Giving Evidence for Pro Bono Economics, also highlighted that many funding applications are ineligible, unsuccessful, or burdened by unnecessarily laborious processes.

At the same time we have started seeing an increasing number of applications that appear to be written by basic generative AI, leading to natural concerns in whether the output reflects an organisations genuine information, or has been hallucinated by the AI.

In response to these inefficiencies Localgiving has been working on a set of AI grant tools that not only address the inefficiencies in the industry from the perspective of charitable organisations, but also the trust issues now being faced by grant-making bodies. Our ambition is for our tools to provide a trusted and bespoke alternative to generic generative AI, creating applications that are both efficient and can be trusted by funders.

These tools provide a seamless, user-friendly system to manage every step of the grant application process. Powered by advanced AI, the platform offers functionality that includes:

- **Fundraising assistant:** a chatbot fundraising consultant, trained on both the regular script used by our in-house professional bid writers to help plan a project and the regular questions that we as a grant administrator often ask applicants when clarifying applications. The tool is built as a friendly conversation covering topics including the project beneficiaries, project delivery plan, monitoring & reporting, and the organisation's track record in delivering similar work. The chat can be conducted in any language and through voice or text, reflecting our experience working with communities that support refugees or ethnic minorities.
- **Grant research:** our fundraising assistant will construct a to-do list of research (e.g. finding IMD data for a project or research existing local services) to support grant applications. Our tools will not only highlight these tasks, but use AI to do the research on behalf of the user.
- **AI profile:** A centralised and easy to use hub that stores the library of information we have about a member to be used for all forms of AI. This not only allows the user to upload a single home screen, leaving us to scan the entirety of their IA, but also upload documents (e.g. impact reports or past grant applications), other Localgiving activity, or other websites. Localgiving will scan everything to produce a library of tags. This also allows users to retain full control of their data, deleting the source data will also delete the data from all AI third parties.
- **Grant Prospecting:** We have updated our grant prospecting tools, which no longer rely on a database that needs constant updating, and instead performs the same tasks as a human prospector. Combining agents that assess what grants we should search for, google grants, assess whether a grant is a real grant, and then decide whether the organisation is eligible for that grant. We believe we are the first tool in the market to offer a grant search tool that is based on agentic AI rather than database matching.
- **Application Drafting:** The platform retrieves specific grant funder requirements and tailors responses to application questions. Leveraging data from previous applications and online sources, it generates polished drafts designed to assist volunteers, even those with minimal computer literacy.

These tools address several critical challenges in the grant funding process:

1. **Reducing Wasted Time:** By minimising the preparation of unsuccessful applications, charities can focus their resources on delivering impactful services.
2. **Improving Application Relevance:** By matching organisations with grants they are eligible for, the tool reduces frustration and increases the likelihood of success.
3. **Overcoming Language Barriers:** The AI functionality assists non-native English-speaking volunteers in creating professional-quality applications, reducing biases that favour experienced bid writers.
4. **Streamlining Repetitive Tasks:** The system eliminates the need for volunteers to repeatedly draft similar applications for funders with slightly different requirements.

By empowering smaller charities and their volunteers, Localgiving's AI-enabled grant tools represent a significant innovation in the sector. These tools help organisations save time, reduce inefficiencies, and enhance their ability to secure funding, enabling them to focus on their primary mission—delivering meaningful change in their communities.

The first iteration of these tools, released between November 2024 and March 2025, identified numerous technical and product issues and we have spent a significant amount of time working with our members and early testers through more than 20 user testing sessions to identify issues and improvements. These included the need to supplement the AI Profile with the Fundraising assistant, and drew us to moving

away from a database model for our grant matching solution. The resulting work launched in November 2025 and received immediate improved response from the community. In just two months since launch 274 organisations have already signed on to try the product, with 510 grant searches generated, and 121 customers completing the process of planning a project with the fundraising assistant. These are tremendous results to have achieved in such a short space of time after the release and are very encouraging for the year ahead.

Membership tiers

The introduction of new functionality has led us to releasing membership tiers to the platform for the first time in our history. This allows us to pay for the costs of development and running the new AI tools without increasing fees for our existing customers, by offering them a full but limited version of the new products, and having customers on higher tiers paying a slightly higher (albeit still affordable) price.

The new tiers introduced are the Grant Success Tier (charged at £43 per month), and the Fully Managed Tier (£499 per month). The Grant Success Tier offers refreshing grant searches to allow users to search for grants every week, access to 'All Grants' which is the full list of grants identified through the full set of grant searches conducted by the platform, a broader access to the AI profile allowing more data to be uploaded, more projects to be planned at any one time, and more grants to be supported by the Bid Writer per month.

The Fully Managed Tier offers all these benefits, as well as hands-on support from our own professional bid writers to manage the grant application process end-to-end, targeted at organisations that appreciate the value of establishing a consistent grant pipeline but don't have the capacity to run the process themselves.

At the time of writing, we have not yet started marketing, however through our existing webinar programme we have already had numerous signups with another many more waiting on trustee approval. This is a very encouraging start given the lack of marketing or push from our side.

Marketing activities

FY2025 saw our first attempt at marketing, primarily through performance marketing, in the company's recent history. Having started in January 2025 we were able to reduce CPAs (cost per actions) between January and June of 2025, reaching 9.2 million impressions and 74k clicks between 1st Jan 2025 & 1st Jan 2026.

Towards the end of the year, we found that downward trend in CPA, CPM (cost per mile) and CPC (cost per click) started to reverse leading us to pause marketing activities while we ran further tests and learnings. A/B tests identified that this was not caused by a ceiling in target customers, but a combination of seasonality and a slowdown in our product delivery. Marketing activities will resume when we have had time to update our marketing to keep up with our rapidly evolving product development and seasonal factors are no longer significant contributors to acquisition.

Nevertheless, the experience has been invaluable in setting ourselves up for future success. We have trialled more than 108 different marketing assets trailing different messaging, design, and delivery; tested multiple websites and landing pages, optimised target metrics to ensure algorithms are now getting feedback from the best sources, and fine-tuned reporting to send accurate data back to social platforms. This will mean we can hit the ground running in 2026. This represents an enormous growth in maturity for the organisation developing from a standing start to one that has a firm understanding of our marketing messages, channels, and target audiences.

Partnerships & grant programmes

NATIONAL GRID

Last year we set out to support National Grid in their ambition to help drive the UK towards a renewable future. Dubbed the “Great Grid Upgrade”, the programme is an ambitious plan to renovate and reconfigure the UK’s energy infrastructure towards renewable sources. As part of this, and to adhere to government guidelines published in April 2025, infrastructure companies are expected to support communities that host the new energy infrastructure at least in part through the funding of charitable causes that are most relevant to the communities that host this new infrastructure.

As part of this work Localgiving has partnered with National Grid throughout 2025, finalising the agreement to support the programme through to at least 2028. The development was an example of forward-thinking non-profit best practice, allowing us to liaise directly with community and third sector stakeholders to identify local priorities in three areas. As part of this work Localgiving engaged membership organisations representing more than 700 charitable organisations, building relationships with the likes of Coalfields Regeneration Trust, Sported, Net Zero Hubs, and local membership bodies. These relationships have not only helped build a grant programme with immense credibility but created a lasting network for both National Grid and Localgiving to lean on as our grant work develops.

The first panel of the new Community Benefits fund was run in January 2026, and we expect to start reporting on both funding activities and impact reporting over the next year.

In September 2024 the Charity Times Awards recognised our collaboration with National Grid in awarding us the Corporate Community Local Involvement award for our work with Roshni Birmingham. The award noted the lifesaving equipment provided by the National Grid & Localgiving grant to the women’s refuge run by Roshni, as well as the broader impact made by the Community Matters Fund.

This new programme compliments both the CGP, LEI, and CMF programmes we already have running with National Grid, with CGP being renewed for an additional year as part of the new programme contract discussions. The deepening of this relationship is testament to our maturing relationship and the trust placed in our ability to deliver grant programmes by National Grid. We’re truly proud to continue supporting National Grid in their mission and look forward to supporting more amazing community projects in the coming year.

SCOTTISH POWER ENERGY NETWORKS

In May 2025 Localgiving won a competitive tender to partner with Scottish Power Energy Networks on delivering the pilot for the microgrants section of their Community Benefits Programme, with similar objectives and goals to National Grid with regard to energy infrastructure.

Much like the work we conducted with National Grid, our support on this programme led us to reaching out to our wider funder network; contacting The Lloyds Foundation, The National Lottery, The Robertson Trust, and the Waterloo Foundation, amongst others, to help us validate best practice and minimise risk for SPEN. Our ability to rapidly engage our funder network to deliver SPEN the reassurance and benchmarking they needed is a wonderful reflection of the trust and reputation that Localgiving has built over the last few years.

The programme is based on in-depth community analysis covering demographic data review, local authority plans and priorities, and local stakeholder engagement at a level that is above and beyond what is normally seen for a grassroots programme and we’re thrilled at how much work has been done to understand community needs in order to establish the fund priorities. This is a true commitment by SPEN and Localgiving into aligning funds with community needs and is a very forward-thinking approach to Charity Commission no. **1132411**

grant making that Localgiving fully supports. The grant launched on the 20th January and will run for a 6-month pilot period, we look forward to reporting on both the funding and impact reports in the coming year

Future Plans

FY25 provided the platform to allow us to grow, we hope to continue leading the UK's third sector on how to engage responsibly with AI in a way that helps both charitable organisations and grant funders alike. As of January 2026, we believe we've got the tools and setup and are now set to engage the whole industry.

Developing AI Tools

Although we already have a fantastic set of tools ready for customers to use, we believe that to stay ahead of the curve we must continue to test, talk to our users, and develop the platform to serve more use cases and improve the quality of our outputs.

Our focus for 2025 will be exploring more ways to leverage new models and technologies. At the time of writing we already use 3 providers, with multiple underlying models, and are looking towards improving flexibility and testing more AI providers as well as starting to train our own models for specific tasks.

The improvements in our marketing maturity and scale have started to exceed the limits of our current behavioural reporting tools and practices, and as a modern product organisation it is important to keep these up to date to best understand our customers need. This will be a further product focus in the coming months, which will allow us to make better data-driven decisions about further product

Nevertheless we can already start to build some priorities based on our ongoing conversations and user feedback. This has started to point us towards development of budgeting tools, initially to compliment grant applications, but then to expand the scope of the AI functionality into further supports such as project delivery, monitoring, and reporting; opening up a whole new set of functionality and opportunity to help our customers. Exploratory work on this and research started in 2025 and we plan to expand this further.

We recognise that our nascent conversations about how the platform might be used to build capacity at a greater scale may also drive the requirement to build reporting & enterprise level layers onto the product, reflecting a need for some organisations to manage multiple licenses or to report on how many grants these licenses have been able to support. Should our discussions regarding multiple licenses gain further traction, this will be prioritised as a major development.

Grant Distribution

Our ability to win a competitive tender with Scottish Power has given us the confidence to pursue further opportunities in this field. We recognise that SPEN are one of many organisations in the UK seeking to satisfy similar regulatory requirements and we believe we are well placed, given our loyal network of charitable members and funders, to deliver fantastic results both for energy transmission companies and the communities they hope to support. We plan to establish a pipeline of similar opportunities and start reaching out to relevant organisations to engage them about similar work.

We also hope that the relationship with SPEN will grow in a similar trajectory to that of National Grid. In the short term our ambition on this front is primarily to deliver the best possible version of their Grassroots (microgrants) pilot, and we hope to build a trusting relationship with them through our hard work and commitment to grassroots impact.

Exploring New Partnerships

We have been encouraged by the positive reception our new AI tools have had amongst the funder community. This has led us to do multiple talks and presentations at funders forums, and increasingly to the teams of some of the UK's largest funders.

Our goal has always been to use the tool to drive efficiency and capacity in the industry, although we initially planned to do this through engaging charitable organisations directly, the response from funders has suggested another approach may be to engage funders to either cover the costs of these tools for grassroots organisations, or make them part of their grant-making offering. Either avenue would be a brilliant channel through which we can offer our services to a wider audience of grassroots organisations and we will be actively pursuing these opportunities with our full funder network, hoping that in doing so the UK could lead global best practice in grant administration.

Community Castle

Purposes and public benefit

In November 2018, the NHS published the Mental Health of Children and Young People in England report, revealing that 1 in 8 (12.8%) 5 to 19-year-olds had at least one mental disorder. Mental health challenges were strongly linked to financial hardship, with children from disadvantaged families disproportionately affected. Key findings highlight:

- **Wealth Inequalities:** Deepening disparities perpetuate cycles of deprivation.
- **Educational Barriers:** Mental health issues hinder education and job prospects for children in deprived areas.
- **Limited Support:** These regions often lack resources for children's mental health and personal development.

Recognising these systemic challenges, the Trustees developed a scalable model to establish physical spaces in deprived regions. These spaces focus on progressive education, personal development, and mental well-being, aiming to create generational change and reduce inequalities.

Inspiration from Maggie's Centres

The Trustees were inspired by the success of Maggie's Centres (maggies.org), which provide holistic support for cancer patients and their families. Adapting this model, the Charity set out to create spaces for children that integrate active learning, arts, theatre, and outdoor engagement to support education and personal growth. These centres empower children and their families in a welcoming and innovative environment.

The Background to Shurland Castle

The Trustees identified key criteria for the project's prototype location:

- **Targeting Deprivation:** Focusing on areas in the top 1% of Indices of Multiple Deprivation in the UK.
- **Accessibility:** Selecting sites within 1.5 hours of East London.
- **Heritage Value:** Repurposing Grade I and II* buildings in disrepair to preserve historical significance.

In 2019, the Trustees chose **Shurland Castle**, an ancient scheduled monument and Grade II* listed building on the Isle of Sheppey, with a rich history:

Charity Commission no. **1132411**

- Originally built on a medieval site and expanded for Henry VIII and Anne Boleyn in 1532.
- A location where Winston Churchill learned to fly and an RAF base in WWII.
- Includes a 5,000 sq ft barn ideal for educational and creative use.

The Trustees saw an opportunity to complete the partially restored site, transforming it into an inspiring hub for education and development.

Activities and Achievements

The Charity also faced a significant challenge when the inner roof of the barn collapsed, spreading hazardous asbestos materials throughout the structure. For safety reasons, the barn is currently inaccessible. The Charity is now working on a planning application to construct a temporary shed to safely clean and clear the materials, ensuring the barn can be restored and repurposed for future educational and creative use.

The Charity undertook major works to restore a Grade II listed wall surrounding the property, which was in danger of collapse. This very tall structure required the erection of emergency scaffolding to stabilize it before repairs could begin, ensuring the safety and integrity of the site.

The Charity has successfully delivered a series of pilot days at Shurland Castle, showcasing immersive and innovative activities for children. These events provided invaluable insights into programme development while demonstrating the concept's world-class potential. High-quality film and photographic documentation captured the energy and impact of the pilot experiences, helping to communicate the Charity's vision to supporters and stakeholders.

The Trustees have also made significant progress in developing the overall scheme concept for Shurland Castle. This comprehensive approach ensures that the Castle's transformation aligns with both the needs of its beneficiaries and its historical significance.

The Charity has carefully built a team for the project's delivery, including:

- **Lucy Ridley (Creative Lead):** Lucy has been leading the creative direction and pilot experiences at Shurland Castle. She has collaborated closely with set designers, actors, and scriptwriters to deliver immersive, innovative activities for children.
- **Martin Ashley (MAA Architects):** Leads the architectural team and brings extensive experience in restoring historic buildings. He recently completed the restoration of Sheerness Dockyard Church, transforming it into a centre for entrepreneurship. Martin and his team have developed a comprehensive scheme for Shurland Castle that prioritises its historical significance and modern educational needs.
- **Rupert Muldoon (Landscape Architect):** Provides award-winning expertise in creating therapeutic and creative outdoor spaces, including plans for an amphitheatre, treehouse cabins, and innovative gardens.
- **Planning and Design Team:** The Charity works closely with RLP Surveyors as project managers and cost planners to ensure efficient designs tailored to beneficiary needs.

The Trustees have been diligent in managing costs for this ambitious project, securing critical resources and support.

Future Plans

The Charity is pursuing its ambitions through two parallel tracks. The first is the long-term restoration and development of Shurland Castle, which remains the flagship project and will require ongoing engagement with heritage authorities, planning stakeholders and major funders over a multi-year period. The second track focuses on near-term programme delivery: developing and testing immersive, story-led learning experiences that can be delivered at partner venues, community spaces and the additional estate site now available to the Charity, without being dependent on the completion of the Castle interior. This two-track approach ensures that the Charity can build evidence, relationships and impact now while the longer-term physical transformation of the Castle progresses. Key initiatives in the coming year include:

1. **Collaborations with Leading Charities:** Engaging with children's charities in Kent, including hospices, to foster partnerships and explore joint initiatives.
2. **Creative Programme Development:** Building on the success of past events, including a summer programme on colour perception in animals to teach social and emotional learning skills.
3. **Ongoing Site Development:** Addressing structural concerns to ensure the site remains a safe, creative space for children.
4. **Fundraising and Awareness Building:** Launching efforts to fund the multimillion-pound project aimed at creating a transformative educational beacon for the Isle of Sheppey and beyond, while continuing to build a library of materials, including film and photography from events, to communicate the project's impact and vision.

These efforts reflect the Charity's commitment to creating transformative environments that empower children through education, creativity, and mental health support.

Financial Review

Supporters and Beneficiaries

Localgiving Foundation extends its gratitude to all its supporters. Their vision and continued involvement make it possible to deliver valuable services to charities and community organisations across the UK.

During the year, the group received £7.0m (2024: £6.8m) in voluntary income. From this income, grants totalling £6.0m (2024: £7.1m) were awarded, with support costs related to grant payments amounting to £501k (2024: £437k).

Reserves Policy

The Trustees maintain a reserves policy to ensure the Charity's unrestricted reserves provide:

- Protection against normal and economic risks,
- A stable financial foundation to meet current commitments and planned activities,
- Resources to invest in future growth.

At the end of the year, the Charity carried forward reserves of £222,142 deficit (2024: £62,387 deficit). This included:

- £7,339 (2024: £7,339) in restricted funds for future grant awards,
- £247,034 (2024: £214,981) in designated funds for future grant awards,
- £476,515 deficit (2024: £284,707 deficit) in general funds.

Voluntary income via online donations is designated to fund local charities on Localgiving's fundraising platform, with amounts disbursed weekly to designated grantees.

The Charity's balance sheet shows general funds of £476,515 deficit (2024: £284,707 deficit), compared to a group general funds deficit of £4,490,031 (2024: £3,566,032) caused by accumulated trading losses in the subsidiary. As the subsidiary expands, it is expected to become profitable, reducing retained losses and eliminating the group's unrestricted funds deficit. The current year saw a significant reduction in the subsidiary's accumulated losses, which the Trustees anticipate will continue.

At the balance sheet date, the Group had negative free reserves of £7,106,509 (2024: negative £5,014,835) and the Charity had negative free reserves of £2,856,333 (2024: negative £2,749,674).

The level of free reserves of the Charity is under continuous review.

Risk Management

The Trustees regularly assess major risks to which the Charity is exposed and have implemented systems to mitigate these risks. Key areas of focus include:

- **Technology Dependency:** The subsidiary's technology is critical for receiving donations and operating grant programmes. To manage this risk, the subsidiary conducts quarterly operational risk reviews covering:
 - Grant processing,
 - Validation of local charities and community groups,
 - Website infrastructure.
- **Security:** Regular independent website security audits ensure platform integrity.
- **Financial Oversight:** Monthly reviews of the subsidiary's financial performance and cash forecasts by the Chairman ensure alignment with the business plan.

The Charity has provided for the loan to the subsidiary in its Statement of Financial Activities.

Results for the Year

Group income increased from £7,712,001 to £8,045,562, while expenditure decreased from £8,897,369 to £7,977,348, resulting in a surplus of £68,214 for the year (2024: £1,175,368 deficit).

Fundraising

The Trustees ensure that all fundraising activities are conducted to a high standard:

- **Transparency:** We are committed to being completely open about our fundraising and spending.

- **Direct Engagement:** All fundraising activities are carried out via formal applications directly to supporters.
- **No Third-Party Involvement:** We do not use third parties for fundraising or subscribe to voluntary fundraising codes of conduct.
- **Complaint-Free:** No complaints were received regarding fundraising activities during the year.

Funds as Agent

The Charity also receives funds on behalf of other foundations through its online platform. These funds remain under the control of the respective foundations and are not included in the Charity's financial statements.

At the balance sheet date, the Charity held £208,654 (2024: £277,023) 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 require 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 judgments 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 a 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 that 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 has indicated its 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 the Trustees have taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that Charity's auditors are aware of that information.

On behalf of the board:



T Latchford

Chair of Trustees

Date: 14-05-26

Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2025

Opinion

We have audited the financial statements of Localgiving Foundation ("the Charity") and its subsidiaries (together "the Group") for the year ended 31 March 2025 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 2025 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.

Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2025 (continued)

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.

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.

Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2025 (continued)

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.

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.

Independent Auditor's Report to the Trustees of Localgiving Foundation for the year ended 31 March 2025 (continued)

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. This description forms part of our Auditors' Report.

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

Goodman Jones LLP

15-05-26

**Chartered Accountants
Statutory Auditors**

1st Floor, Arthur Stanley House
40-50 Tottenham Street
London
W1T 4RN

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

Charity Commission no. **1132411**

Consolidated statement of financial activities

Incorporating income and expenditure

Total funds

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/25 £	Year ended 31/03/24 restated £
Income from:						
Donations	3					
Donations		1,149	6,998,655	-	7,000,234	6,744,294
Grants		40,000	-	-	40,000	8,408
Trading activities	4	420,667	584,021	-	1,004,688	968,420
Other income		-	640	-	640	879
Total		461,816	7,583,746	-	8,045,562	7,722,001
Expenditure on:						
Raising funds	6	1,361,075	-	-	1,361,075	1,366,721
Charitable activities	7	24,740	6,591,533	-	6,616,273	7,530,648
Other expenditure		-	-	-	-	-
Total		1,385,815	6,591,533	-	7,977,348	8,897,369
Net Income / (expenditure)		(923,999)	992,213	-	68,214	(1,175,368)
Transfers between funds	16					-
Net movements in funds		(923,999)	992,213	-	68,214	(1,175,368)
Reconciliation of funds:						
Total funds brought forward		(3,566,032)	2,772,540	281,730	(511,762)	663,606
Total funds carried forward	16	(4,490,031)	3,764,753	281,730	(443,548)	(511,762)

The notes on pages 32 to 52 form part of these financial statements.

Charity statement of financial activities

Incorporating income and expenditure

Total funds

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Year ended 31/03/25 £	Year ended 31/03/24 restated £
Income from:						
Donations						
Donations		1,149	6,999,085	-	7,000,234	6,767,252
Grants		40,000	-	-	40,000	8,408
Trading activities		-	-	-	-	-
Investment income		-	-	-	-	5,045
Other income		400,588	-	-	400,588	879
Total		441,737	6,999,085	-	7,440,822	6,781,584
Expenditure on:						
Raising funds		633,505	-	-	633,505	633,630
Charitable activities		40	6,967,032	-	6,967,072	8,038,792
Other expenditure		-	-	-	-	-
Total		633,545	6,967,032	-	7,600,577	8,672,422
Net Income		(191,808)	32,053	-	(191,755)	(1,890,838)
Transfers between funds		-	-	-	-	-
Net movements in funds		(670,423)	32,053	-	(519,755)	(1,890,838)
Reconciliation of funds:						
Total funds brought forward		(284,707)	214,981	7,339	(62,387)	1,828,451
Total funds carried forward	16	(476,515)	247,034	7,339	(222,142)	(62,387)

The notes on pages 32 to 52 form part of these financial statements.

Consolidated balance sheet

		Total funds	
	Notes	Year ended 31/03/25 £	Year ended 31/03/24 restated £
Fixed Assets:			
Intangible fixed assets	10	236,228	6,656
Tangible fixed assets	11	2,380,148	2,465,671
Total fixed assets		2,616,376	2,472,327
Current assets:			
Debtors	13	339,632	290,197
Cash at bank and in hand		511,741	632,423
Total current assets		851,373	922,620
Liabilities:			
Creditors: amounts falling due within one year	14	(1,360,578)	(1,611,498)
Net current assets		(509,205)	(688,878)
Total assets less current liabilities		2,107,171	1,783,449
Creditors: amounts falling due after more than one year	15	(2,550,716)	(2,295,208)
Total net assets		(443,545)	(511,759)
Funds:	16		
Non-controlling interests – shares in subsidiary		3	3
General funds		(4,490,031)	(3,566,032)
Designated funds		3,764,753	2,772,540
Restricted funds		281,730	281,730
Total funds		(443,545)	(511,759)

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

T Latchford

Tom Latchford

Chair of Trustees

Date: 14-05-26

The notes on pages 32 to 52 form part of these financial statements.

Charity balance sheet

		Total funds	
	Notes	Year Ended 31/03/25 £	Year Ended 31/03/24 restated £
Fixed Assets:			
Tangible fixed assets	11	2,379,716	2,464,865
Investments	12	102	102
Total fixed assets		2,379,818	2,464,967
Current assets:			
Debtors	13	946,474	665,667
Cash at bank and in hand		66,556	291,822
Total current assets		1,013,030	957,489
Liabilities:			
Creditors: amounts falling due within one year	14	(1,064,274)	(1,189,635)
Net Current Assets		(51,244)	(232,146)
Total assets less current liabilities		2,328,574	2,232,821
Creditor: amounts falling due after more than one year	15	(2,550,716)	(2,295,208)
Net assets		(222,142)	(62,387)
Funds:	16		
General funds		(476,515)	(284,707)
Designated funds		247,034	214,981
Restricted funds		7,339	7,339
Total funds		(222,142)	(62,387)

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: 14-05-26

The notes on pages 32 to 52 form part of these financial statements.

Charity Commission no. **1132411**

Consolidated cash flow statement

	Notes	Year Ended 31/03/25 £	Year Ended 31/03/24 restated £
Cash flows from operating activities			
Net cash from/(used by) by operating activities	18	197,583	(176,817)
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,469)	(17,274)
Purchase of intangible fixed assets		(256,746)	(6,660)
Net cash used in investing activities		(258,215)	(23,934)
Cash flows from financing activities			
(Loans repaid)/loan advances		(60,050)	(313,879)
(Net cash used in)/net cash from financing activities		(60,050)	(313,879)
Change in cash and cash equivalents in the year		(120,682)	(514,630)
Cash and cash equivalents brought forward		632,423	1,147,053
Cash and cash equivalents carried forward	19	511,741	632,423

The notes on pages 32 to 52 form part of these financial statements.

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, its wholly-owned subsidiary undertaking Localgiving Ltd, and its 97% owned subsidiary Impactful Group Limited on a line-by-line basis.

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 recent challenging 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 its historic property. The operations of the Platform have not been adversely affected and has seen 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.

Notes to the financial statements

Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial liabilities

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

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.

Notes to the financial statements

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 31/03/25 £	Year ended 31/03/24 restated £
Donations	7,000,234	6,744,294
Grants	40,000	8,408
	7,040,234	6,752,702

In 2025, income from donations and legacies related to the following funds:

Group: £41,149 (2024: £7,491) was to general funds, £6,999,085 (2024: £6,742,925) was to designated funds, and £nil (2024: £2,286) was to restricted funds.

4. Income from trading activities

	Group	
	Year ended 31/03/25 £	Year ended 31/03/24 £
Localgiving website income	1,004,688	968,420
	1,004,688	968,420

In 2025, income from trading activities related to the following funds:

Group: £420,667 (2024: £420,196) was to general funds and £584,021 (2024: £548,224) was to designated funds.

5. Other/investment income

	Group	
	Year ended 31/03/25 £	Year ended 31/03/24 £
Deposit account interest	640	879
Interest on loan to subsidiary	-	-
	-	-

Notes to the financial statements

6. Raising funds

	Group	
	Year ended 31/03/25 £	Year ended 31/03/24 £
Support costs	1,361,075	1,366,721
	1,361,075	1,366,721

In 2025, costs of raising funds related to the following funds:
Group: £1,361,075 (2024: £1,366,721) was to general funds.

7. Charitable activities

	Group				
	Activities undertaken directly 31/03/25 £	Grant funding of activities 31/03/25 £	Support costs 31/03/25 £	Total Year ended 31/03/25 £	Total Year ended 31/03/24 restated £
Grants awarded to organisations	-	6,090,816	500,757	6,591,573	7,093,306
Localgiving website	24,700	-	-	24,700	18,491
	24,700	6,090,816	500,757	6,616,273	7,530,648

Localgiving Foundation supports a wide range of organisations all over the UK that operate in different sectors and which have varying charitable activities. During the year, the Foundation made 1,106,802 distributions to 1,785 unique recipient organisations (2024: 44,393 grants to 4,500 organisations).

The Localgiving Foundation website contains information and case studies on the types of organisations supported (<https://localgiving.org/>) and information is also available in the Trustees' Report. 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 31/03/25	Total Year ended 31/03/24
	31/03/25 £	31/03/25 £	31/03/25 £	31/03/24 £
Depreciation and amortisation	114,165	-	114,164	109,315
Governance	55,207	-	55,207	19,980
Legal and professional fees	91,983	-	91,983	68,294
Consultancy fees	73,024	-	73,024	41,596
Bank charges	84,633	-	84,633	39,615
Payment provider fees	-	500,757	500,757	437,342
Loan interest	315,558	-	315,558	304,345
Books	-	-	-	15
General expense	2,355	-	2,355	8,824
Cleaning	6,518	-	6,518	3,577
Insurance	15,343	-	15,343	15,382
Repairs & maintenance	41,419	-	41,419	56,832
IT consumables	5,541	-	5,541	6,878
Postage & stationery	198	-	198	523
Subscriptions	7,548	-	7,548	8,685
Premises costs	361	-	361	955
Wages & salaries	333,664	-	333,664	596,675
Advertising & marketing	151,302	-	151,302	68,619
Travel & subsistence	2,570	-	2,570	6,015
Staff training & welfare	47,965	-	47,965	4,124
Charitable & political donations	1,220	-	1,220	3,562
Utility	10,502	-	10,502	2,910
	1,361,075	500,757	1,861,832	1,804,063

Included in governance is Auditors' remuneration of £35,000 (2024 - £19,980).

Notes to the financial statements

9. Staff costs and trustee remuneration

	Group	
	Year ended 31/03/25 £	Year ended 31/03/24 £
Staff costs		
Wages & salaries	381,253	529,891
Social security costs	42,649	52,888
Pension costs	12,647	13,896
	436,549	596,675
Number of employees		
Charitable activities	9	12
	9	12

There was one employee who received total employee benefits (excluding employer pension costs) in the year in the band £100,001 - £110,000 (2024: one employee).

Total remuneration, including employer's NIC and employer's pension contributions, in respect of key management personnel totalled £292,370 (2024: £254,528).

There was no trustees' remuneration for the year ended 31 March 2025, nor for the year ended 31 March 2024. In addition, trustees' expenses reimbursed for the year ended 31 March 2025 totalled £106 for one trustee (2024: £nil for no trustees).

Notes to the financial statements

10. Intangible fixed assets

		Group		
		Website Development	Goodwill	Total
		£	£	£
Cost				
	At 01/04/2024	734,091	283,624	1,017,715
	Additions	256,746	-	256,746
	At 31/03/2025	990,837	283,624	1,274,461
Amortisation				
	At 01/04/2024	727,435	283,624	1,011,059
	Amortisation in year	27,174	-	27,174
	At 31/03/2025	754,609	283,624	1,038,233
Net book value				
	At 31/03/2025	236,228	-	236,228
	At 31/03/2024	6,656	-	6,656

Goodwill arising on the acquisition in a prior year 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
	£	£	£	£	£
Cost					
At 31/03/2024	29,667	2,325,408	374,260	154,864	2,884,199
Additions	-	-	1,469	-	1,469
Disposals	-	-	-	-	-
At 31/03/2025	29,667	2,325,408	375,729	154,864	2,885,668
Depreciation					
At 31/03/2024	28,213	-	291,342	98,974	418,529
Charge for year	984	-	57,217	28,790	86,991
Depreciation on Disposal	-	-	-	-	-
At 31/03/2025	29,197	-	348,559	127,764	505,520
Net book value					
At 31/03/2025	470	2,325,408	27,170	27,100	2,380,148
At 31/03/2024	1,454	2,325,408	82,918	55,890	2,465,671

Charity					
	Office equipment	Land & Buildings	Furniture & artwork	Plant & Machinery	Total
	£	£	£	£	£
Cost					
At 31/03/2024	18,832	2,325,408	374,260	154,864	2,873,364
Additions	-	-	1,469	-	1,469
Disposals	-	-	-	-	-
At 31/03/2025	18,832	2,325,408	375,729	154,864	2,874,833
Depreciation					
At 31/03/2024	18,184	-	291,342	98,974	408,500
Charge for year	610	-	57,217	28,790	86,617
Disposals	-	-	-	-	-
At 31/03/2025	18,794	-	348,559	127,764	495,117
Net book value					
At 31/03/2025	38	2,325,408	27,170	27,100	2,379,716
At 31/03/2024	648	2,325,408	82,918	55,890	2,464,864

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 Localgiving Ltd 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, has been dormant since incorporation, and was struck off on 19 August 2025. The figures of Impactful Group Limited are included in the consolidated financial statements.

13. Debtors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/25 £	Year ended 31/03/24 £	Year ended 31/03/25 £	Year ended 31/03/24 £
Trade debtors	313,586	271,565	260,517	233,984
Other debtors	4,505	5	4,500	
Amount due from group undertakings	-	-	279,872	429,475
Prepayments and accrued income	21,541	18,627	401,585	2,208
	339,632	290,197	946,474	665,667

14. Creditors: amounts falling due within one year

	Group		Charity	
	Year ended 31/03/25 £	Year ended 31/03/24 restated £	Year ended 31/03/25 £	Year ended 31/03/24 restated £
VAT payable	13,626	12,145	-	-
Trade creditors	85,769	55,101	81,695	39,303
Social Security and other taxes	11,552	24,694	-	38,816
Other creditors	203,987	334,221	149,764	277,701
Loans and overdrafts	796,615	796,615	796,615	796,615
Accruals and deferred income	249,029	388,722	36,200	37,200
	1,360,578	1,611,498	1,064,274	1,189,635

Notes to the financial statements

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

	Group		Charity	
	Year ended 31/03/25 £	Year ended 31/03/24 £	Year ended 31/03/25 £	Year ended 31/03/24 £
Loan	2,550,716	2,295,208	2,550,716	2,295,208
	2,550,716	2,295,208	2,550,716	2,295,208

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 01/04/24 restated	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/25
	£	£	£	£	£
Unrestricted funds					
General fund	(2,749,433)	461,816	(1,385,815)	-	(3,673,432)
Designated fund – online donations	1,955,941	7,583,746	(6,591,533)	-	2,948,154
Restricted funds					
Wales Development	25,111	-	-	-	25,111
Magic Little Grants	256,609	-	-	-	256,609
Much Loved	10	-	-	-	10
Subtotal restricted	281,730	-	-	-	281,730
Total funds	(511,762)	8,045,562	(7,977,348)	-	(443,548)

Charity statement of funds

	At 01/04/24 restated	Incoming resources / other gains/losses	Resources expended	Transfers	At 31/03/25
	£	£	£	£	£
Unrestricted funds					
General fund	(284,707)	441,737	(672,160)	-	(476,515)
Designated fund – online donations	214,981	6,999,085	(6,967,031)	-	247,034
Restricted funds					
Wales Development	6,902	-	-	-	6,902
Magic Little Grants	427	-	-	-	427
Much Loved	10	-	-	-	10
Subtotal restricted	7,339	-	-	-	7,339
Total funds	(62,387)	7,440,822	(7,600,577)	-	(222,142)

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 the following outstanding commitments for future minimum lease payments under non-cancellable operating leases:

	Year ended 31/03/25 £	Year ended 31/03/24 £
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Total commitment	-	-

Notes to the financial statements

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

	Year ended 31/03/25 £	Year ended 31/03/24 restated £
Net income for the year (as per Statement of Financial Activities)	68,214	(1,175,368)
Adjustment for:		
Depreciation charges	86,991	109,660
Amortisation charge	21,174	4
Loan interest	315,558	304,345
Gain on sale of fixed assets	-	601,305
(Increase)decrease in debtors	(49,434)	601,305
Increase/(decrease) in creditors	(250,920)	(16,763)
Net cash provided by/(used in) operating activities	197,583	(176,817)

19. Analysis of cash and cash equivalents

	Year ended 31/03/25 £	Year ended 31/03/24 £
Cash in hand	511,741	632,423
Total	511,741	632,423

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 2025 are represented by:				
Fixed assets	2,616,376			2,616,376
Current assets	(2,378,511)	2,948,154	281,730	851,373
Creditors due within one year	(1,360,578)			(1,360,578)
Creditors due after more than one year	(2,550,716)			(2,550,716)
	(3,673,429)	2,948,154	281,730	(443,545)

Analysis of net assets between funds - prior period (restated)

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2024 (restated) are represented by:				
Fixed assets	2,472,327			2,472,327
Current assets	(2,131,650)	2,772,540	281,730	922,620
Creditors due within one year	(1,611,498)			(1,611,498)
Creditors due after more than one year	(2,295,208)			(2,295,208)
	(3,566,029)	2,772,540	281,730	(511,759)

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, £7,000,234 (2024: £6,744,294) in online donations was received by Localgiving Ltd on behalf of Localgiving Foundation. Localgiving Ltd paid out £6,090,816 (2024: £7,074,815) in grants to local charities and recharged £500,757 (2024: £437,432) in transaction fees, which are eliminated upon consolidation.

Localgiving Foundation has also advanced a loan to Localgiving Ltd. At the balance sheet date, an amount totalling £319,872 (2024: £237,407) was owed to Localgiving Foundation and included within debtors. There is no security on this loan and no fixed repayment date (although it is considered to be long-term funding by the Trustees, there is no fixed repayment and so it has been included within the Charity's own balance sheet within debtors due within one year).

At the year end, Localgiving Foundation owed a total of £3,347,331 (2024: £3,091,823) 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 £1,568,299 (2024: £1,252,741) of cumulative interest has been accrued. The loan is secured by way of a legal charge and repayable on flexible terms without penalty in 19 months from the balance sheet date.

The Localgiving Foundation owns 97% of the called-up share capital of Impactful Group Limited. The Chairman of the Localgiving Foundation, Tom Latchford, is also a director of Impactful Group Limited. At the balance sheet date, an amount of £97 (2024: £97) was owed by Impactful Group Limited to Localgiving Foundation.

22. Prior year adjustment

The prior year figures have been adjusted as it was identified that the Charity had received funds which it had recognised through the Statement of Financial Activities but were in fact funds as agent.

The impact of this is that 2024 restricted fund income has been reduced by £1,054,202, restricted fund expenditure has been reduced by £816,600, restricted funds carried forward reduced by £237,603, and other creditors increased by £237,603

Notes to the financial statements

23. Subsidiaries

The wholly owned subsidiary, Localgiving Ltd (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:

	Total funds	
	Year ended 31/03/25 £	Year ended 31/03/24 £
Profit and Loss Account		
Turnover	1,380,185	1,495,051
Cost of sales	(132,022)	(58,020)
Gross profit	1,248,163	1,437,031
Administration expenses	(620,144)	(693,562)
Other operating charges	(400,000)	-
Operating profit	228,019	743,469
Interest receivable	52	4
Interest payable	-	(5,045)
Profit before tax	228,071	738,428
Taxation	-	-
Profit after tax	228,071	738,428
Balance Sheet		
Fixed assets	236,660	7,462
Debtors	73,027	54,002
Bank	445,185	340,601
Creditors less than 1 year	(975,764)	(614,028)
Net current liabilities	(220,892)	(219,425)
Creditors greater than 1 year	(407)	(237,407)
Net assets/(liabilities)	<u>(221,299)</u>	<u>(449,370)</u>
Share capital	5	5
Profit and loss account	(221,304)	(449,375)
Total capital and reserves	<u>(221,299)</u>	<u>(449,370)</u>

Notes to the financial statements

22. Subsidiaries (continued)

The 97% owned subsidiary, Impactful Group Limited (company number 13976603), was incorporated on 15 March 2022, was dormant since incorporation, and was struck off on 19 August 2025. The results of the subsidiary are:

	Year ended 31/03/25 £	Year ended 31/03/24 £
Balance Sheet		
Debtors	100	100
Net current assets		
Net assets	100	100
Share capital	100	100
Profit and loss account	-	-
	100	100