

The National Funding Scheme

Annual Report and Unaudited Financial Statements

30 September 2021

Company Limited by Guarantee Registration Number
08223187 (England and Wales)

Charity Registration Numbers
1149800 (England and Wales)
SC045106 (Scotland)

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Reference and Administrative Details of the charity, its Trustees and advisors

Trustees	Sam Cooper Jamie Galloway William Makower Jun Park
Registered office	Marcar House 13 Parkshot Richmond TW9 2RG
Company number	08223187 (England and Wales)
Charity numbers	1149800 (England and Wales) SC045106 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitor	Bates Wells LLP 10 Queen Street Place London EC4R 1BE
Banker	National Westminster Bank Plc 15 Bishopsgate London EC2P 2AP

The Trustees present their report along with the financial statements of The National Funding Scheme ("NFS") for the year to 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 17 and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, the Charities And Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 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 United Kingdom and Republic of Ireland (FRS 102).

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors report for the purpose of company legislation.

Structure, Governance and Management

Governance

The National Funding Scheme is a charitable company, limited by guarantee, incorporated on 20 September 2012 and registered as a charity on 16 November 2012. The charity was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association.

The governance and strategy of the charity is overseen by the Board of Trustees (named in the table below). Trustees are appointed as outlined in the Memorandum and Articles of Association and they bring specific skills to complement and support the Management Team.

The following Trustees were in office at 30 September 2021, and served throughout the period except where shown.

Trustees	Appointed/resigned
Sam Cooper Jamie Golloway	Appointed 25 January 2021
Bart Leonard William Makower Jun Park	Resigned 6 January 2022

Key management personnel

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

None of the Trustees received any remuneration for their services as Trustees (2020 – none).

Structure, Governance and Management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also directors of The National Funding Scheme for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006. 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.

Risk Management

The Trustees are mindful of their responsibility as charity trustees to identify the risks the charity faces and to establish and implement systems and procedures to mitigate those risks identified. Risks were considered at each quarterly Board meeting during 2020/21 and appropriate actions taken. Risks continue to be reviewed at a similar frequency.

Principal Aims, Objectives and Activities

The object of the National Funding Scheme (NFS) is “the promotion of the efficiency and effectiveness of charities for the public benefit by promoting charitable giving, fundraising and donations to charities, particularly (but not exclusively) through supporting new ways of giving to charities and through digital means”.

As Trustees, we confirm that we have referred to the guidance contained in the Charity Commission's general advice on public benefit when reviewing the charity's aims and objectives and in planning future activities for the year.

Activities and Achievements

The charity incurred an operational surplus of £1,859 in the year to 30 September 2021 (2020: deficit of £14,199).

The year from 1st October 2020 to 30th September 2021 has seen significant change for the charity. The year from 1st October 2020 to 30th September 2021 coincided with the ravages on charity finances during the pandemic. The Charity Commission's own research (<https://www.gov.uk/government/publications/charity-commission-covid-19-survey-2021>) carried out on the impact of the pandemic on charities showed that nearly all charities were impacted by the pandemic with over 90% having experienced some negative impact from Covid-19, whether on their service delivery, finances, staff, or indeed on staff morale, resulting from the months of frustration and uncertainty. The majority (60%) saw a loss of income, and a third (32%) said they experienced a shortage of volunteers.

Further six out of ten of the charities surveyed saw their income fall as a result of Covid-19, while 57% were forced to cancel events or planned work. Charities also worried about the ongoing financial impact of the pandemic, with 62% saying that they “anticipate a threat to their charity's financial viability” during the next year. The findings were based on polling of 1,966 charities which was conducted in July and August 2021.

Against this backdrop, National Funding Scheme's DONATE platform was for many a life-saver with a move to online events ranging from virtual dog-shows to online auctions, school raffles and numerous campaigns reaching out to supporters. In many cases, DONATE became not only their main source of income but led to a change in behaviour with online fundraising moving from an additional fundraising channel to their main channel. We were delighted to see charities invest more resources to online channels; a trend that has remained since the lifting of restrictions.

During the year over 579 charities applied to join DONATE with over 60% being accepted (2020: 56%). Many of these were schools, churches and other charitable organisations where lockdown made a considerable difference to their fortunes.

Over the year, total funds raised (including Gift Aid) was £940,544 (2020: £1,159,925)

At the same time we increased our knowledge sharing, advisory services and outreach as part of our charitable status. Our account and customer-success manager continued to develop case studies, regular bulletins, e-newsletters as well as developing a number of online webinars and online events. Trustees continued to engage with fundraisers and

Activities and Achievements (continued)

charities providing not only fundraising advice but also mentoring younger fundraisers over a number of months.

The technology platform continued to be developed. Additional features were added to improve how charities manage their campaigns. Additionally, as legislation and best-practice fundraising approaches were developed by the industry so these were incorporated into the platform. Likewise, additional capacity and productivity was achieved through redesigning and architecting the platform's hosting provision with Amazon Web Services (AWS).

Three case studies from the year:

Case Study 1 - Switch to digital fundraising at a time where services are being streamed online too

St Andrew's Church in Enfield, North London, Grade II listed church has recently gone digital with their fundraising, using text giving to support its work, which in 2019 cost £4,400 a week to undertake. During lockdown the parish has been streaming worship services. Rev Dr Steve Griffiths has found it easy to make the switch to digital fundraising at a time where services are being streamed online too;

"With lockdown and social distancing, we began to stream our services on Facebook to bring our services to all. Using text giving alongside our virtual masses has encouraged donations from young and old to support the parish which also supports the local community. Digital fundraising has been a blessing"

Case Study 2 – Raising funds for a local children's charity

The 50 lots were donated by local businesses to the Children's charity Packed With Smiles text raffle to support their work, coinciding with World Children's Day.

Elle Beadle, Chair of Trustees, says: "Our marketing concept was no tickets, no cash, no hassle. A ticket free raffle that didn't involve cash immediately caught people's attention.

"The text raffle means that the charity is able to raise funds, increase our profile, give something back to our business community and continue our work of supporting families facing financial hardship, by supplying new school uniform parcels and other school essentials, so that children can fully participate in school. We have a dream that all children are given the opportunity to attend school feeling equal, confident and ready to create their own future and the pandemic won't stop us."



Case Study 3 - Big Issue North switch during trying times

Big Issue North made the difficult decision to cease sale of the magazine on the street for the safety of vendors and customers. This may last for weeks or even months, which means a disaster to people who rely on selling Big Issue North to earn an income. To help support the vulnerable group – many of whom are homeless – Big Issue North set up an official hardship fund, which “allows us to swiftly help homeless vendors into accommodation, as well as paying for vendors’ rent, bills and shopping in the event that they are unable to access a foodbank, or that rent and bills that are not frozen by the government”. Big Issue North worked with local publications, supporters and their wider networks to encourage donations across both text and web.

“We chose the DONATE platform because we liked both its flexibility and ease of use so that we can manage our campaigns and offer both text and web giving through a single platform. We’ve found the team behind it really helpful and have in the last few weeks raised nearly £15,000.”

Financial report for the period

Results for the period

Total income for the period was £998,572 (2020 – £1,193,893), consisting of donations and commission earned through the NFS platform, and gifts in kind.

Charitable expenditure on activities in furtherance of the charity’s objectives amounted to £996,713 (2020 – £1,208,035), predominantly comprised of charitable donations, other costs relating to the charity’s version of the licensed fundraising platform, and gifts in kind. Total expenditure for the period was £996,713 (2020 – £1,208,092).

The charity incurred an overall surplus of £1,859 (2020 – deficit of £14,199) for the year. Panlogic Ltd, under the control of Mr Makower, continues to provide financial support during the transition to being reliant on earned income.

Reserves policy

The Trustees are mindful that the target for free reserves should be three months' running costs and work towards this objective on the basis that this timeframe is sufficient to recruit additional volunteers or part time staff to cover unforeseen circumstances without having a material effect on the charity's operations.

Financial position and future plans

At the period end restricted funds were £nil (2020 - £nil) as all restricted funds are paid out to beneficiary charities and unrestricted funds were a deficit of £54,879 (2020 - £56,738).

The worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. Trustees acknowledge and recognise the likely impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on the wider society. At the date of approval of these financial statements, the digital-first charity has been able to work efficiently with staff working from home. However, the trustees continue to closely monitor the availability and scale of resources needed to manage the charity.

The Trustees are confident that the charity will be able to meet its liabilities as they fall due for the foreseeable future and have plans to ensure that the charity can build its reserves up to an acceptable level. The Trustees, therefore, believe it is appropriate for the accounts to be prepared on a going concern basis.

This report was prepared under the Small Companies Provisions of the Companies Act 2006.



Jamie Galloway

Signed on behalf of the Trustees

Approved by the Board of Trustees on: 27th June 2022

Independent auditor's report to the trustees and members of The National Funding Scheme

Opinion

We have audited the financial statements of The National Funding Scheme (the 'charitable company') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its 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 Companies Act 2006.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. 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.

Other information (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- ◆ proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Other matter

The prior year comparatives are unaudited. As part of our audit work for the year ended 30 September 2021, we have reviewed balances with regards to cash, intangible fixed assets and current assets and liabilities, brought forward at 1 October 2019. No issues were noted.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of trustees' meetings and reports from regulatory bodies.
- ◆ Identified laws and regulations were also communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ agreed financial statement disclosures to underlying supporting documentation;
- ◆ read the minutes of meetings of those charged with governance; and
- ◆ enquired of management as to actual and potential litigation and claims.

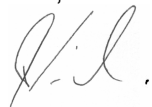
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 29/6/22

Statement of financial activities Year to 30 September 2021

	Notes	Unrestricted £	Restricted £	2021 Total funds £	Unrestricted £	Restricted £	2020 Total funds £
Income							
Donations	1	30,000	847,676	877,676	—	1,067,765	1,067,765
Charitable activities	2	87,548	—	87,548	126,020	—	126,020
Interest receivable		15	—	15	108	—	108
Total income		117,563	847,676	965,239	126,128	1,067,765	1,193,893
Expenditure							
Cost of raising funds	3	—	—	—	57	—	57
Charitable activities	4	7,803	955,577	963,380	4,135	1,203,900	1,208,035
Total expenditure		7,803	955,577	963,380	4,192	1,203,900	1,208,092
Net income (expenditure) before transfers		109,760	(107,901)	1,859	121,936	(136,135)	(14,199)
Transfers between funds	14	(107,901)	107,901	—	(136,135)	136,135	—
Net expenditure and net movement in funds		1,859	—	1,859	(14,199)	—	(14,199)
Reconciliation of funds:							
Fund balances brought forward at 1 October 2020		(56,738)	—	(56,738)	(42,539)	—	(42,539)
Fund balances carried forward at 30 September 2021		(54,879)	—	(54,879)	(56,738)	—	(56,738)

All of the charity's activities derived from continuing operations during the above financial periods.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 18 to 23 form part of the financial statements.

Balance sheet at 30 September 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible fixed assets	10	—		—	
Current assets					
Debtors	11	48,079		27,081	
Cash at bank and in hand		106,448		492,421	
			154,527		519,502
Current liabilities					
Creditors: amounts falling due within one year	12	(192,782)		(529,616)	
Net current (liabilities)/assets			(38,255)		(10,114)
Creditors: amounts falling due after one year	13		(16,624)		(46,624)
Total net liabilities			(54,879)		(56,738)
The funds of the charity:					
Unrestricted funds			(54,879)		(56,738)
Restricted funds	14		—		—
			(54,879)		(56,738)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Trustees by:



Jamie Galloway

Trustee

Approved by the Board of Trustees on: 27th June 2022

Registered Company Number 08223187 (England and Wales)

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 30 September 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of intangible fixed assets; and
- ◆ estimating the value of gifts in kind received.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect of a period of one year from the date of approval of these accounts and have considered the impact of the coronavirus pandemic on the charity's operations.

The trustees have considered the financial position of the charity at the date of approval of these financial statements, and also its ongoing income and expenditure. Given the modest expenditure of the charity, a reduction in overheads and our best estimates for projected income the Trustees have concluded that the charity will be able to meet its financial obligations. Additionally, and since closing the 2022 accounts, National Funding Scheme received £30,000 from a benefactor. Although it is anticipated that no such support will be required, a trustee has confirmed that he will provide funds to support the charity's cashflow requirements for a period of at least one year from the date of approval of the financial statements.

These financial statements have been prepared on a going concern basis. The Trustees are confident that the charity will be able to meet its liabilities as they fall due for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, commission earned on donations processed through the National Funding Scheme, investment income and income from charitable activities.

Donations processed through the National Funding Scheme are included within income as restricted donations. Any commission earned on these donations by the charity is included within income from charitable activities. The donations less the commission are subsequently passed onto the recipient organisations and included in expenditure as charitable donations. Any amounts not paid over to the recipients at the year end are included within creditors.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

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 recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the payment to charities of amounts received through the National Funding Scheme and direct and support costs incurred in the operation of the National Funding Scheme, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of staff time spent on each activity.

Intangible fixed assets and amortisation

All assets with a cost greater than £500 and a life expectancy exceeding one year are capitalised.

Intangible fixed assets are included at cost. Amortisation is provided at the following annual rates in order to write off each asset on a straight line basis over its estimated useful life:

- ◆ Software Licence 33% pa of cost.

Fund accounting

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets these criteria, is charged to the fund.

General unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 102.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1 Donations

	Unrestricted £	Restricted £	2021 Total funds £
National Funding Scheme donations	—	847,676	847,676
Other donations	30,000	—	30,000
2021 Total funds	30,000	847,676	877,676

	Unrestricted £	Restricted £	2020 Total funds £
National Funding Scheme donations	—	1,034,432	1,034,432
Gifts in kind (note 15)	—	33,333	33,333
2020 Total funds	—	1,067,765	1,067,765

2 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total funds £
Commission on National Funding Scheme Donations	73,475	—	73,475
Contactless trial	970	—	970
Other	13,103	—	13,103
2021 - Total funds	87,548	—	87,548

	Unrestricted £	Restricted £	2020 Total funds £
Commission on National Funding Scheme Donations	111,373	—	111,373
Contactless trial	3,504	—	3,504
Other	11,143	—	11,143
2020 - Total funds	126,020	—	126,020

3 Cost of raising funds

	Unrestricted £	Restricted £	2021 Total funds £
Costs of raising funds	—	—	—
2021 Total funds	—	—	—

3 Cost of raising funds (continued)

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>2020 Total funds £</i>
<i>Costs of raising funds</i>	<i>57</i>	<i>—</i>	<i>57</i>
<i>2020 Total funds</i>	<i>57</i>	<i>—</i>	<i>57</i>

4 Charitable activities

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>2021 Total funds £</i>
Administration	—	13,200	13,200
Marketing	—	23,220	23,220
Transaction costs	—	23,913	23,913
Legal and professional fees	—	22,311	22,311
Support costs (note 7)	—	28,302	28,302
Purchase and rental of contactless units	3,423	—	3,423
Charitable donations	—	829,886	829,886
Other	—	14,745	14,745
Governance costs (note 5)	4,380	—	4,380
2021 Total funds	7,803	955,577	963,380

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>2020 Total funds £</i>
<i>Administration</i>	<i>—</i>	<i>8,964</i>	<i>8,964</i>
<i>Resourcing contractors and hosting</i>	<i>—</i>	<i>33,333</i>	<i>33,333</i>
<i>Marketing</i>	<i>—</i>	<i>10,673</i>	<i>10,673</i>
<i>Transaction costs</i>	<i>—</i>	<i>23,129</i>	<i>23,129</i>
<i>Legal and professional fees</i>	<i>—</i>	<i>27,203</i>	<i>27,203</i>
<i>Support costs (note 7)</i>	<i>—</i>	<i>7,608</i>	<i>7,608</i>
<i>Purchase and rental of contactless units</i>	<i>785</i>	<i>—</i>	<i>785</i>
<i>Charitable donations</i>	<i>—</i>	<i>1,073,747</i>	<i>1,073,747</i>
<i>Other</i>	<i>—</i>	<i>19,243</i>	<i>19,243</i>
<i>Governance costs (note 5)</i>	<i>3,350</i>	<i>—</i>	<i>3,350</i>
<i>2020 Total funds</i>	<i>4,135</i>	<i>1,203,900</i>	<i>1,208,035</i>

5 Governance costs

	Unrestricted £	Restricted £	2021 Total funds £
Audit fees	2,890	—	2,890
Support costs (note 7)	1,490	—	1,490
2021 Total funds	4,380	—	4,380

	Unrestricted £	Restricted £	2020 Total funds £
Audit fees	2,950	—	2,950
Support costs (note 7)	400	—	400
2020 Total funds	3,350	—	3,350

6 Staff costs

No employees received remuneration in excess of £60,000 during the period (2020 – none).

During the period, the average number of staff was zero (2020 – zero).

During the period, no expenses were reimbursed to any Trustee (2020 – £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees. No Trustee received any remuneration for their services (2020 – £nil).

7 Support costs

The support costs incurred during the year to 30 September 2020 and the basis of their allocation were as follows:

	Charitable activities £	Governance £	2021 Total £
Insurance	586	31	617
Computer and software	27,715	1,459	29,174
	28,301	1,490	29,791

7 Support costs (continued)

	Charitable activities £	Governance £	2020 Total £
Insurance	531	28	559
Travel and expenses	47	2	49
Telephone	5	—	5
Subsistence	18	1	19
Computer and software	7,007	369	7,376
	7,608	400	8,008

Any direct costs are charged to the relevant activity. Any indirect costs are allocated to each activity based on the estimated level of usage. Amounts relating to costs of raising funds are immaterial and have been disregarded.

8 Net movement in funds

This is stated after charging:

	2021 Total funds £	2020 Total funds £
Auditor's remuneration:		
. current year	2,890	2,950

9 Taxation

The National Funding Scheme is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Intangible fixed assets

	Software Licence £
Cost	
At 30 September 2020 and 30 September 2021	100,000
Amortisation	
At 30 September 2020 and 30 September 2021	100,000
Net book value	
At 30 September 2020 and at 30 September 2021	—

11 Debtors

	2021 £	2020 £
Trade and other debtors	35,753	9,163
VAT Recoverable	382	698
Gift aid receivable	11,944	17,220
	48,079	27,081

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	16,663	12,324
Amounts due to affiliates with charitable purpose	150,812	506,730
Accruals	25,307	10,562
	192,782	529,616

The amounts due to affiliates with charitable purpose are held in a separate bank account, as agreed with the Charity Commission.

13 Creditors: amounts falling due after one year

	2021 £	2020 £
Trade creditors	16,624	46,624

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants to be applied for specific purposes.

	At 30 September 2020 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
National Funding Scheme donations	—	847,676	(955,577)	107,901	—
	—	847,676	(955,577)	107,901	—

	At 30 September 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
National Funding Scheme donations	—	1,034,432	(1,170,567)	136,135	—
Gifts in kind	—	33,333	(33,333)	—	—
	—	1,067,765	(1,203,900)	136,135	—

15 Related party disclosures

The Trustees acknowledge the considerable support given by many individuals and organisations. Specifically Bates Wells LLP for legal work, Panlogic Ltd for technical development and administration support and Digital Innovation and Growth (DIG) Ltd for the core technology, ongoing development of the technology, technical hosting and maintenance.

William Makower is a shareholder director of Panlogic Ltd and Digital Innovation and Growth (DIG) Ltd and a serving Trustee of The National Funding Scheme.

- ◆ Panlogic Ltd invoiced the charity £12,300 during the year (2020 - £11,597) to cover variable staffing requirements.
- ◆ At the year end £7,000 (2020 – £nil) was owed to Panlogic Ltd.
- ◆ The charity pays a variable software levy to DIG, in 2021 this amounted to £14,774 (2020: £19,242). £16,624 was owed to DIG at year end.