

The National Funding Scheme

Annual Report and Financial Statements

30 September 2022

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	Georgina Bagshawe (appointed 22 March 2022) Sam Cooper Jamie Galloway William Makower Jun Park
Registered office	1 Golden Court Richmond TW9 1EU
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 2022.

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 2022, and served throughout the period except where shown.

Trustees	Appointed/resigned
Sam Cooper	
Jamie Golloway	
Georgina Bagshawe	Appointed 22 March 2022
Bart Leonard	Resigned 6 January 2022
William Makower	
Jun Park	

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 (2021 – 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 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 £16,406 in the year to 30 September 2022 (2021: £1,859).

The year from 1st October 2021 to 30th September 2022 coincided with the end of the various Government mandated Pandemic lockdowns. 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.

NCVO, in collaboration with Nottingham Trent University and Sheffield Hallam University, produced a series of detailed reports (<http://cpwop.org.uk/respond-recover-reset-report-archive/>) on the impact of the Pandemic on charities.

85% of infrastructure bodies in the sample thought that the level of demand for services and support from infrastructure organisations has increased as a result of the pandemic in the areas such as digital technology, developing and promoting new services, new funding and mobilising volunteers.

National Funding Scheme, as an infrastructure fundraising platform, saw and met this increasing demand both by improving the onboarding processes of the online platform, providing additional human resources to meet the rise in contact enquiries and increasing education across the sector. A key element of this increased education was to develop targeted microsites for specific fundraising sectors. These freely available guides can be viewed at the following links:

- Challenges and Pursuits - <https://www.nationalfundingscheme.org/challenges-and-pursuits/>
- Schools and PTFAs - <https://www.nationalfundingscheme.org/schools-and-ptfas/>
- Animal Rescue - <https://www.nationalfundingscheme.org/animal-rescue-and-welfare/>
- Foodbanks - <https://www.nationalfundingscheme.org/foodbanks/>

Activities and Achievements (continued)

However, the Pandemic also laid bare that the platform, originally built back in 2012, had built up significant technical debt and further development was costing the organisation disproportionate funds to add features and ensure reliability. A grant application was made to the Garfield Weston Foundation to support the redevelopment of the underlying platform and we were delighted to receive a fully funded grant of £30,000 in February 2022 to scope and deliver an improved service. Our thanks to the Trustees of the Garfield Weston Foundation for continuing to support the development of the DONATE platform.

During the year over 309 charities applied to join DONATE. 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 £551,223 (2021: £940,543). This drop in fundraising was a natural consequence of a worsening economic backdrop prior to the tightening of monetary policy which started in December 2021. The impact of increasing interest rates has a direct and negative impact on available household funds for donations; ironically at a time when the charitable need is increasing.

Three case studies from the year:

Case Study 1 – Charity auction for Tiggy Hancock

A silent auction was the anchor fundraising event during the Turn Cheltenham Yellow for Tiggy event on December 10th 2021. Reaching out to the riding community both in Ireland and the UK, the Tiggy Hancock Trust ran a live and silent auction to raise funds for the Injured Jockeys Fund.

The DONATE™ platform provided the Trust with the service it needed to maximise fundraising. Each lot was shown off to its best effects using imagery and content that underlined the strength of community support.



"We were new to organising a fundraising auction and wanted to find a partner who with similar incentives to us, would provide us with an account managed service and whose technology would ensure that we would raise the maximum amount from our supportive community. The DONATE™ team was fantastic and their platform did everything it said on the tin. We were delighted with the support we received from the moment we decided to use them to the event itself and then the after-event support. We will be back next year."

- Frank Hancock | Tiggy's Father and charity Founder

Case Study 2 – Foodbank support

National Funding Scheme supports a range of foodbanks from Bridgewater in Somerset to Edinburgh in Scotland to raise funds for local communities. As an example Canterbury Foodbank raised over £16,000 during the year.

To support foodbanks maximise their fundraising we produced a series of case studies and a specific microsite available at <https://www.nationalfundingscheme.org/foodbanks/>

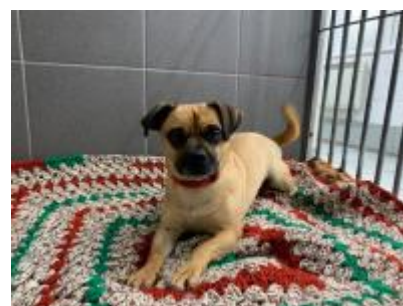


Since joining DONATE™ in 2019, Canterbury Food bank CIC has raised over £55,000. Whilst they welcome food donations to keep their services running, they also collect money where this is not possible. 58% of donors opted to add Gift Aid when making their donation by completing DONATE's enduring Gift Aid declaration. All Gift Aid is processed by DONATE™ meaning Canterbury Food Bank received 100% of these donations.

Case Study 3 - Dumfries and Galloway Canine Rescue

Dumfries and Galloway Canine Rescue operates a local rescue centre which in 2018 noted its 4000th dog rehomed from their centre. Their digital presence has not only enabled them to extend their reach (rehoming dogs from as far afield as Orkney to Dorset) but also acts as a major fundraising outreach point.

The centre joined DONATE in May 2020 but and since then have received over 400 donations across both web and text. Donations have ranged from £1 to £1000 with the most popular (mode) being £10 and 28 donations being over £100. The flexibility of DONATE, the ease of donors to collect Gift Aid and the simplicity of developing fundraising campaigns to meet emerging needs is central to their reason for working with us.



Activities and Achievements (continued)

Financial report for the period

Results for the period

Total income for the period was £609,622 (2021 – £965,239), 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 £593,216 (2021 – £963,380), predominantly comprised of charitable donations, other costs relating to the charity's version of the licensed fundraising platform, and gifts in kind.

The charity incurred an overall surplus of £16,406 (2021 – £1,859) for the year.

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 (2021 - £nil) as all restricted funds are paid out to beneficiary charities and unrestricted funds were a deficit of £38,743 (2021 - £54,879).

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.



Signed on behalf of the Trustees

Jamie Galloway

Approved by the Board of Trustees on:

21st June 2023

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 2022 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 2022 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, 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 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.

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 Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 27 June 2023

Statement of financial activities Year to 30 September 2022

	Notes	Unrestricted £	Restricted £	2022 Total funds £	Unrestricted £	Restricted £	2021 Total funds £
Income							
Donations	1	34,150	524,454	558,604	30,000	847,676	877,676
Charitable activities	2	50,979	—	50,979	87,548	—	87,548
Interest receivable		39	—	39	15	—	15
Total income		85,168	524,454	609,622	117,563	847,676	965,239
Expenditure							
Cost of raising funds	3	90	—	90	—	—	—
Charitable activities	4	1,638	596,989	598,627	7,803	955,577	963,380
Total expenditure		1,728	596,989	598,717	7,803	955,577	963,380
Net (expenditure)/income before transfers		83,440	(72,535)	10,905	109,760	(107,901)	1,859
Transfers between funds	14	(72,535)	72,535	—	(107,901)	107,901	—
Net income and net movement in funds		10,905	—	10,905	1,859	—	1,859
Reconciliation of funds:							
Fund balances brought forward at 1 October 2021		(54,879)	—	(54,879)	(56,738)	—	(56,738)
Fund balances carried forward at 30 September 2022		(43,974)	—	(43,974)	(54,879)	—	(54,879)

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible fixed assets	10		—		—
Current assets					
Debtors	11	7,177		48,079	
Cash at bank and in hand		<u>104,179</u>		<u>106,448</u>	
					154,527
Current liabilities					
Creditors: amounts falling due within one year	12	<u>(140,986)</u>		<u>(192,782)</u>	
Net current liabilities			<u>(29,630)</u>		<u>(38,255)</u>
Creditors: amounts falling due after one year	13		<u>(14,344)</u>		<u>(16,624)</u>
Total net liabilities			<u>(43,974)</u>		<u>(54,879)</u>
The funds of the charity:					
Unrestricted funds			<u>(43,974)</u>		<u>(54,879)</u>
Restricted funds	14		<u>—</u>		<u>—</u>
			<u>(43,974)</u>		<u>(54,879)</u>

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: 21 June 2023

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 2022.

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. 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.

Assessment of going concern (continued)

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.

Expenditure recognition (continued)

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 £	2022 Total funds £
National Funding Scheme donations	—	524,454	524,454
Other donations	34,150	—	34,150
2022 Total funds	34,150	524,454	558,604

	Unrestricted £	Restricted £	2021 Total funds £
National Funding Scheme donations	—	847,676	847,676
Gifts in kind (note 15)	30,000	—	30,000
2021 Total funds	30,000	847,676	877,676

2 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total funds £
Commission on National Funding Scheme Donations	38,958	—	38,958
Contactless trial	500	—	500
Other	11,521	—	11,521
2022 - Total funds	50,979	—	50,979

	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

3 Cost of raising funds

	Unrestricted £	Restricted £	2022 Total funds £
Costs of raising funds	90	—	90
2022 Total funds	90	—	90

3 Cost of raising funds (continued)

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>2021 Total funds £</i>
<i>Costs of raising funds</i>	—	—	—
<i>2021 Total funds</i>	—	—	—

4 Charitable activities

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>2022 Total funds £</i>
Administration	—	20,181	20,181
Marketing	—	9,533	9,533
Transaction costs	—	19,870	19,870
Legal and professional fees	—	18,347	18,347
Support costs (note 7)	—	22,378	22,378
Purchase and rental of contactless units	463	—	463
Charitable donations	—	501,713	501,713
Other	—	4,967	4,967
Governance costs (note 5)	1,175	—	1,175
2022 Total funds	1,638	596,989	598,627

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

5 Governance costs

	Unrestricted £	Restricted £	2022 Total funds £
Audit fees	5,500	—	5,500
Support costs (note 7)	1,175	—	1,175
2022 Total funds	6,675	—	6,675

	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

6 Staff costs

No employees received remuneration in excess of £60,000 during the period (2021 – none).

During the period, the average number of staff was zero (2021 – zero).

During the period, no expenses were reimbursed to any Trustee (2021 – £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 (2021 – £nil).

7 Support costs

The support costs incurred during the year to 30 September 2022 and the basis of their allocation were as follows:

	Charitable activities £	Governance £	2022 Total £
Insurance	589	31	620
Travel and expenses	9	—	9
Subsistence	46	—	46
Computer and software	21,734	1,144	22,878
	22,378	1,175	23,553

7 Support costs (continued)

	Charitable activities £	Governance £	2021 Total £
<i>Insurance</i>	586	31	617
<i>Travel and expenses</i>	—	—	—
<i>Subsistence</i>	—	—	—
<i>Computer and software</i>	27,715	1,459	29,174
	<u>28,301</u>	<u>1,490</u>	<u>29,791</u>

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:

	2022 Total funds £	2021 Total funds £
Auditor's remuneration:		
. Current year	<u>5,500</u>	<u>2,890</u>

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 2021 and 30 September 2022	<u>100,000</u>
Amortisation	
At 30 September 2021 and 30 September 2022	<u>100,000</u>
Net book value	
At 30 September 2021 and at 30 September 2022	<u>—</u>

11 Debtors

	2022 £	2021 £
Trade and other debtors	1,484	35,753
VAT Recoverable	1,012	382
Gift aid receivable	4,681	11,944
	7,177	48,079

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,144	16,663
Amounts due to affiliates with charitable purpose	121,439	150,812
Accruals	9,403	25,307
	140,986	192,782

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

	2022 £	2021 £
Loan from Digital Information and Giving	14,344	16,624

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 2021 £	Income £	Expenditure £	Transfers £	At 30 September 2022 £
National Funding Scheme donations	—	524,454	(501,713)	(22,741)	—
	—	524,454	(501,713)	(22,741)	—

	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	—

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 £20,365 during the year (2021 - £12,300) to cover variable staffing requirements.
- ◆ At the year end £nil (2021 – £7,000) was owed to Panlogic Ltd.
- ◆ The charity pays a variable software levy to DIG, in 2022 this amounted to £4,967 (2021: £14,774). £801 was owed to DIG at year end.