



**National Philanthropic Trust
UK Limited**

Annual report and accounts

30 June 2021

Company Registration Number
11542102 (England and Wales)

Charity Registration Number
1181128



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Contacts, officials and advisors

Chair	Ceris Gardner
Trustees (who served during the year)	Ceris Gardner Richard Cassell Vivien Gould Eileen R. Heisman David Rowe
Chief Executive Officer	John Canady
Company Number (England and Wales)	11542102
Charity Registration Number (England and Wales)	1181128
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Bankers	Bank of America NA 2 King Edward Street London EC1A 1HQ
Principal investment managers	UBS 3 Finsbury Avenue London EC2M 2AN Cazenove Capital 1 London Wall Place London EC2Y 5AU Tribe Impact Capital 40 Conduit Street London W1S 2YQ

Contacts, officials and advisors

Solicitors

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Registered address

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Chair's review

I am pleased to update you on National Philanthropic Trust UK Limited's ("NPT UK") achievements in fiscal year 2020/21. NPT UK is a UK registered charity that was founded in 2019 in response to growing demand for donor-advised fund giving vehicles. NPT UK is committed to increasing philanthropy in society by helping donors manage their charitable giving with maximum convenience and tax efficiency.

In the midst of the continued COVID-19 pandemic, NPT UK reached new milestones in its third year of operations.

- We continued to welcome new donors seeking donor-advised funds to meet their philanthropic goals.
- Our donors—both new and existing—are comprised of individuals, families, foundations and fellow charities. Because of our donors' collective generosity, NPT UK granted approximately £9.1 million this fiscal year (2019/20: £0.8 million).
- We received contributions exceeding £52.2 million which will support qualified charities in the UK and around the world.

We now manage £50.2 million of funds, all which aims to support the philanthropic interests of individuals and organisations in pursuing the most efficient way to achieve maximum charitable impact. We pride ourselves on providing exemplary service to our NPT UK donors. From processing each incoming contribution to sending out meaningful grants, we support our donors and their charitable goals. Together, we are working to achieve real impact in the UK and around the world.

It is an honour to serve as the NPT UK Board Chair.

Warm regards,

Ceris Gardner

Ceris Gardner
Chair, NPT UK Limited Board of Trustees

Trustees' report 30 June 2021

The Trustees (who are also the directors for purposes of Company Law) present their statutory report with the financial statements of NPT UK for the year ended 30 June 2021. The financial statements have been prepared in accordance with the accounting policies and comply with the charitable company's governing document, the Companies Act 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Mission and historical background

NPT UK's mission is to inspire, support and increase charitable giving in society, primarily through charitable donor-advised funds (DAFs), which benefit charities and voluntary organisations in the UK and internationally.

NPT UK was established as a registered charity in England and Wales in May 2019 by National Philanthropic Trust, a charitable 501(c)(3) organisation in the United States (US), in response to growing international interest in DAFs. DAFs are a significant and popular form of giving in the US and are growing in popularity in the UK and in other countries around the world.

NPT UK aims to achieve its mission in a number of areas:

- ◆ research and promote DAFs as a cost-effective vehicle for giving;
- ◆ support a broad range of donors: corporate, individual and charitable - through the establishment of philanthropic giving vehicles;
- ◆ provide grantmaking advice, expertise and support to donors;
- ◆ maximise donations through gift aid recovery and use of government incentives in the UK for charitable contributions; and
- ◆ optimise funds for grant making through the prudent investment and stewardship of charitable contributions.

The Trustees have paid due regard to public benefit guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Governing document

The charity is controlled by its governing document, the Articles of Association, and constituted as a company limited by guarantee as defined by the Companies Act 2006.

The charity's sole member is National Philanthropic Trust, a US charitable 501(c)(3) organisation.

Measuring impact and public benefit

As a grantmaking charity, providing public benefit is at the heart of the charity's activity. NPT UK seeks to advance philanthropy in society, primarily through the provision of charitable DAFs.

Donors to NPT UK can recommend grants from their DAFs to support organisations of their choice, provided that such organisations pursue charitable purposes as the term is defined under UK law. NPT UK reviews and must approve all grant recommendations before the grant can be issued.

The Trustees seek to certify that each grant made from a DAF is made in furtherance of a charitable purpose and offers an identifiable benefit to the public or a significant section of the public. Furthermore, any private benefit that may arise to any person or company as a result is not more than incidental.

Charitable objectives

The charitable objectives are to increase the amounts available for charitable purposes by:

- encouraging giving;
- facilitating efficient collection, investment and distribution of funds to minimise overhead;
- maximising eligibility for tax relief to increase the benefit to charitable purposes in proportion to the cost; and
- applying those funds raised in support of such exclusively charitable purposes as the Trustees shall from time to time determine.

Fundraising statement

NPT UK does not actively solicit donations and therefore is not registered with the Fundraising Regulator or subscribed to any fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations. During fiscal year 2020/21, the charity received no complaints about fundraising activities.

Plans for future periods

We will continue to promote philanthropy in society by working with donors to help them effectively manage their charitable giving. In addition to raising awareness of DAFs with donors, we will also partner with their advisors - wealth managers, tax advisors, solicitors and estate planners - to ensure advisors are aware of the benefits of incorporating philanthropy and DAFs into their client discussions. Our efforts to be a partner in giving are all focused on increasing charitable giving in the UK and beyond.

Trustees' report 30 June 2021

Grantmaking priorities and exclusions

The Trustees regularly review NPT UK's policies, objectives and guidelines to ensure that grants made are in support of exclusively charitable purposes and for public benefit. As such, grants cannot be paid to:

- ♦ support activities which are not exclusively charitable;
- ♦ individuals;
- ♦ provide any private benefit (e.g. payment of tuition, dues, membership fees, benefit tickets or goods bought at charitable auction); and
- ♦ satisfy any political contributions or support campaign activities.

Charities are notified electronically of grants awarded and grant payments are made electronically. Grant recipients may or may not submit to NPT UK regular or one-off progress reports, depending on the nature of the project, the purpose and terms of the grant and the size of the grant awarded.

Trustees

Recruitment and appointment of new Trustees

At any one time, the charity shall have at least three Trustees who meet in person and by teleconference a minimum of three times every year and additionally as required. The identification of potential new Trustees is carried out by the Board of Trustees, the aim being to appoint those with the appropriate expertise and experience for NPT UK's work.

On agreeing to become a Trustee of the charity, new Trustees are thoroughly briefed by their co-Trustees and key management on the history of the charity, day-to-day management, responsibilities of the Trustees, current objectives and future plans. The Trustees are also encouraged to attend training and update courses.

Register of Trustees' interests

In accordance with Company Law and the Charity Commission guidance that charity Trustees and key management who may have a personal interest in any matter before the Trustees should declare that interest and refrain from taking part in any discussion relating to it, a 'Register of Trustees' Interests' is maintained and updated annually.

Trustees are required to disclose all relevant interests and register them with the Chief Executive Officer, and in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

Trustees' report 30 June 2021

Governance

Organisational structure

The Trustees are ultimately responsible for the policies, activities and assets of the charity. They meet a minimum of three times annually to review developments with regard to the charity and its grantmaking and investment activities, and to make any important decisions. When necessary, the Trustees seek advice and support from the charity's professional advisers.

Key management personnel

The key management personnel are considered to be the Trustees and the CEO. The Trustees are not remunerated for their roles.

Administration

NPT UK seeks to build efficient and effective administrative systems, whilst recognising the effectiveness of working in partnership with other organisations. To this end, administration, management information systems and technology functions of the charity are provided to NPT UK by two organisations: NPT Transatlantic Limited of the UK and National Philanthropic Trust of the US. Both arrangements are governed by service agreements which also make provisions for data protection and confidentiality/privacy requirements.

Achievements and strategic goals

Contributions

Our donors contributed £52,263,517 in fiscal year 2020/21 (2019/20 - £6,513,772) to NPT UK's DAFs. Wire transfers are the most common method of making contributions. We have also accepted appreciated securities as contributions. These contributions are turned into philanthropic capital for the causes and charities closest to our donors' hearts.

Investments

NPT UK donors can indicate an investment preference, with reference to preapproved investments and separately managed accounts, including alternative and unlisted investments, in an effort to increase the amounts available for grants. Investment performance was positive for fiscal year 2020/21, reporting income and gains of £1,517,300 (2019/20 - £47,068). NPT UK's Trustees carefully review any new investments and also monitor the investment performance on an on-going basis.

Trustees' report 30 June 2021

Grantmaking

NPT UK's donors recommended 252 grants totalling £9,118,462 in fiscal year 2020/21 (2019/20 – 28 grants totalling £789,142). NPT UK's staff assisted our donors with the grantmaking process, from answering basic questions about philanthropy to discussing complex grant agreements. Our team has substantial knowledge about philanthropy, DAFs and industry best practices that support our donors. We work to ensure our donors are able to achieve their philanthropic goals.

Financial review

NPT UK is committed to increasing philanthropy in society and the 2020/21 fiscal year demonstrated the continued success of the charity in its mission. Income for the 2020/21 fiscal year was £52,431,316 (2019/20 - £6,613,157). The increase in contributions is a result of increased awareness amongst donors and their advisors in donor-advised funds as a tax-efficient, charitable giving vehicle.

Expenditure for the year was £9,401,703 (2019/20 - £881,015). This significant increase was driven by the generosity of approved donor's grant recommendations to charitable organizations. As a result of fiscal year contributions exceeding charitable distributions for the year ended 30 June 2021, there was a surplus - after investment gains of £1,470,257 (2019/20 investment gains of £43,119) - of £44,499,870 (2019/20 - £5,775,261). Funds at the end of the year comprised £50,279,837 (2019/20 - £5,779,967) of unrestricted funds.

Reserves policy

NPT UK's free reserves policy is to maintain, ideally, a level equivalent to between three and six months' general operating expenditure. Unrestricted operating funds are those funds which are not restricted and not represented by DAFs. At 30 June 2021, these funds were £65,512 (2019/20 - £22,309), representing 10.1 months of operating expenditure, and exceeds the stated policy.

The Trustees consider that reserves at this level will ensure that, in the event of a drop in funding, they will be able to continue the charity's current activities for a period of time that allows for sufficient consideration to be given to ways in which additional funds may be raised.

Unrestricted donor-advised funds, which have been designated by the Trustees, are those funds held by NPT UK pending recommendation for onward distribution to third party charities. At 30 June 2021, these funds were £50,214,325 (2019/20 - £5,757,658).

Trustees' report 30 June 2021

Investment management

The Trustees of NPT UK are responsible for the management of all funds maintained by NPT UK. The funds are managed in accordance with the principles and standards of prudence applicable under English law. Under its Articles of Association, NPT UK has the power to invest funds that are not immediately required for charitable purposes. NPT UK's investment policy enables a diversified global portfolio of investments across a range of asset classes. The portfolio is managed by qualified investment managers approved by the Trustees. NPT UK seeks to balance risk, return and spend so as to observe proper balance between the need to meet present demands on the charity and the need to allow for future charitable objectives. NPT UK also considers Environmental, Social and Governance factors into accounts when making investments.

Principal risks and uncertainties

In line with the requirement for Trustees to undertake a risk assessment exercise and report on the same in their annual report, the Trustees initiated a process to assess organisational risk. The Trustees have identified five main areas where risk may occur:

- ♦ governance;
- ♦ operational;
- ♦ financial;
- ♦ environment or external; and
- ♦ compliance (law and regulation).

Governance risks include those the charity might suffer from lack of direction, skills and training of the Trustees and good use of its funds.

Operational risks include those inherent in the charity's activities including supporting unsuitable appeals from charities, continuity of staff, disaster recovery, and other issues.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, inaccurate accounting and inappropriate investment policies.

Environment or external risks include the possible damage to the charity's reputation, through association with unsuitable charities, or with inappropriate investment activity.

Compliance risks include the effects of government policies, potential adverse changes in these policies and the consequences of non-compliance with applicable laws and regulations.

Principal risks and uncertainties (continued)

The major forms of financial risk NPT UK faces are volatility in equity and other investment markets due to economic conditions, the attitude of donors relative to their recommendations on investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors and where significant reserves are held as cash, the charity faces the risk that such funds lose value in real-terms, due to low interest rates and currency exchange rates.

Having assessed the major risks to which the charity is exposed, in particular to its finances, the Trustees believe that by monitoring reserve levels, by ensuring that controls exist over the key financial systems and by examining the operational and business risks faced by the charity, effective systems are in place to mitigate those risks. The charity maintains an up-to-date risk register in order to identify and establish effective systems to mitigate those risks.

In addition to the identified major forms of financial risk, the charity's risk register is a dynamic document and process that will change over time as different risks are identified and other risks are downgraded or removed. The risks at any one time are graded depending on their perceived likelihood and impact. Assessments are also made as to whether the risks are increasing, decreasing or remaining stable and the action plans, responsibilities and timeframes for their implementation are also reviewed regularly by Trustees during the year. There are generic risks of running any charitable or business undertaking. The most significant risks identified for NPT UK relate to:

- ◆ loss of key staff; and
- ◆ disaster recovery and planning, including cyber breaches.

The following paragraphs set out the identified key risks and the controls that NPT UK have put in place to mitigate them.

Loss of key staff could have a significant impact on the organisation as this may result in the loss of specific skills, experience and contacts. There may also be a temporary but significant impact on on-going key projects. NPT UK has moved to mitigate this risk by comprehensively documenting key systems, plans and projects, and by establishing notice periods and ensuring that where necessary, transitions take place within that time.

Disaster recovery and planning refers to the significant impact that a major cyber breach or unpredictable disaster could have, such as failures in IT systems or physical damage to property and equipment by way of fire, flood or other natural forces. These risks cannot be predicted, but can be prepared for, and NPT UK does so through the creation and review of IT and disaster recovery plans; implementing digital and physical security measures; and obtaining appropriate insurance coverage.

Trustees' report 30 June 2021

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term.

Disclosure of information to auditor

Each of the Trustees confirm that:

- ♦ in so far as the Trustee is aware; all relevant audit information has been disclosed to the charitable company's auditor; and
- ♦ the Trustee has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Report prepared under the Charities Act 2011, which also contains all information required in a Directors' report by the Companies Act 2006, was approved by the Board of Trustees and signed on behalf of the Trustees by:

Ceris Gardner

Ceris Gardner
Chair

Date: 24 November 2021

For more information on DAFs see our website at www.nptuk.org.

Statement of Trustees' responsibilities 30 June 2021

The Trustees (who are also the directors of NPT UK for the purposes of company law) are responsible for preparing the Trustees Report and the 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 charitable company and of the income and expenditure, of the charitable company 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 Charities SORP;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL PHILANTHROPIC TRUST UK LIMITED

Opinion

We have audited the financial statements of National Philanthropic Trust UK Limited (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 June 2021 and of its incoming resources and application of resources, including 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL PHILANTHROPIC TRUST UK LIMITED

Other information (continued)

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.

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, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have 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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 Statement of Trustees' responsibilities set out on page 12, 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL PHILANTHROPIC TRUST UK LIMITED

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL PHILANTHROPIC TRUST UK LIMITED

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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. 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.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB
Date: 24 November 2021

Statement of financial activities Year to 30 June 2021

	Notes	2021 Unrestricted Operating Funds £	2021 Unrestricted DAF Funds ¹ £	2021 Total Funds £	2020 Total Funds £
Income from:					
Donations					
Voluntary donations	1	-	-	-	82,753
Donations to giving funds	2	-	52,263,517	52,263,517	6,513,772
Investments	3	-	47,043	47,043	3,949
Other income		120,756	-	120,756	12,683
Total income		120,756	52,310,560	52,431,316	6,613,157
Expenditure on:					
Raising funds	4	56,214	25,779	81,993	63,011
Charitable activities	4	21,334	9,298,376	9,319,710	818,004
Total expenditure		77,548	9,324,155	9,401,703	881,015
Realised and unrealised (losses)/gains on investment assets		(5)	1,470,262	1,470,257	43,119
Net income and net movement in funds	5	43,203	44,456,667	44,499,870	5,775,261
Reconciliation of funds					
Total funds brought forward		22,309	5,757,658	5,779,967	4,706
Total funds carried forward		65,512	50,214,325	50,279,837	5,779,967

¹ Donor-advised funds

Balance Sheet 30 June 2021

Company Number: 11542102

	Notes	2021 Unrestricted Operating Funds £	2021 Unrestricted DAF Funds £	2021 Total Funds £	2020 Total Funds £
Fixed assets					
Investments	9	-	33,599,348	33,599,348	2,161,342
Current assets					
Debtors	10	48,548	62,528	111,076	14,707
Cash at bank and in hand		56,514	16,597,397	16,653,911	3,629,497
		105,062	16,659,925	16,764,987	3,644,204
Current liabilities					
Creditors: amounts falling due within one year	11	(39,550)	(44,948)	(84,498)	(25,579)
Net current assets		65,512	16,614,977	16,680,489	3,618,625
Total net assets		65,512	50,214,325	50,279,837	5,779,967
Represented by the funds of the charity:					
Unrestricted operating funds	13	65,512	-	65,512	22,309
Unrestricted DAF funds	13	-	50,214,325	50,214,325	5,757,658
Total funds		65,512	50,214,325	50,279,837	5,779,967

These accounts were authorised and approved by the Trustees and signed on their behalf by:

Ceris Gardner

Ceris Gardner
Trustee

Approved on: 24 November 2021

Statement of cash flows 30 June 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	42,945,120	5,738,806
Cash flows from investing activities:			
Dividends and interest from investments		47,043	3,949
Proceeds from sale of investments		12,748,285	2,136,700
Purchase of investments		(42,716,034)	(4,254,923)
Net cash used by investing activities		(29,920,706)	(2,114,274)
Change in cash and cash equivalents in the period		13,024,414	3,624,532
Cash and cash equivalents at the beginning of the reporting period		3,629,497	4,965
Cash and cash equivalents at the end of the reporting period	B	16,653,911	3,629,497

A. Reconciliation of net income to net cash used in operating activities

	2021 £	2020 £
Net income per the statement of financial activities	44,499,870	5,775,261
Adjustments for:		
Realised and unrealised gains on investments	(1,470,257)	(43,119)
Dividends and interest from investments	(47,043)	(3,949)
(Increase) in debtors	(96,369)	(14,707)
Increase in creditors	58,919	25,320
Net cash provided by operating activities	42,945,120	5,738,806

B. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	16,653,911	3,629,497
Total cash and cash equivalents	16,653,911	3,629,497

Accounting policies 30 June 2021

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

Basis of preparation

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

The accounts have been prepared in accordance with the charity's governing documents, the Companies Act 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

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.

Status

The charity is a private company limited by guarantee and incorporated in England and Wales. The registered office and principal activity are disclosed in the Trustees' Report.

Critical accounting estimates and areas of judgement

The most significant areas of judgement and key assumptions that affect items in the accounts are in respect to the allocation of support costs between activities and the value of alternative investments. Alternative investments are recorded at estimated fair value in the absence of readily determined fair values. Management's estimates are established on the basis of valuations provided by the respective investment managers and are believed to be a reliable best estimate of fair value. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of fundraising achievable, the investment return and the performance of the investment market generally.

Going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Going concern (continued)

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. This is because the National Philanthropic Trust, the charity's sole member, has donated to NPT UK in support of operating costs and has committed to provide financial support to the extent necessary to enable the charity to continue to pay its liabilities as they become due for a period of at least 12 months from the date of approval of these financial statements. Additionally, the strategy document plans for growth and this is to be closely monitored.

Income

Income in the form of contributions is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the funds will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or when the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends earned on fixed asset investments are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on cash deposits is recognised as it is earned.

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 is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses are allocated or apportioned to the applicable expenditure headings.

Resources expended comprise the following:

- a. Expenditure on raising funds comprise the costs associated with generating donations, fundraising costs and the fees paid to investment managers in connection with the management of the charity's investments. It includes costs that can be allocated directly to such activities and those indirect costs necessary to support them (see c. below).

Accounting policies 30 June 2021

Expenditure recognition (continued)

- b. Expenditure on charitable activities comprise grants and costs of raising awareness of the charity's work and its methods. Grants are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the fiscal year are expensed and disclosed as payable. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

It includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them (see c. below).

- c. Support costs are those costs which enable fund generating and charitable activities to be carried out. These costs include information technology, provision of office services and equipment and public relations. Support costs are allocated on the basis of time spent on these activities.

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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Financial instruments

The charitable company applies the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all of its financial instruments. Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument, and are offset only when the charitable company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Investments

Listed investments (with the exception of FX products and derivatives, which form an immaterial part of investments held and are therefore treated the same) are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price.

Alternative investments, including hedge funds and private equity funds, are recorded at estimated fair value generally established on the basis of the valuations provided by respective investment managers that determine the unit value based on the net asset value (NAV) of the underlying investments.

Accounting policies 30 June 2021

Investments (continued)

Money market time deposits are fixed term cash deposits designed to provide a higher rate of return, but cannot be freely accessed before maturity. They are valued based on the amount of cash invested.

Realised gains (or losses) in investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Financial assets

Basic financial assets, including trade debtors and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

Financial liabilities

Basic financial liabilities, including trade and other payables, 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.

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

Fund accounting

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

Judgement has been applied in whether certain funds held by NPT UK should be classified as restricted funds or unrestricted funds.

Accounting policies 30 June 2021

Fund accounting (continued)

Trustees consider that funds held by NPT UK in donor-advised funds pending recommendation for onward distribution to third party charities are classified as designated within unrestricted funds. However, the Trustees note the following:

- there is an expectation from the donor that these funds will be used in line with their recommendations.
- in the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution and associated administrative costs.

Taxation

NPT UK is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives. Accordingly, no provision for current or deferred taxation is considered necessary.

Value Added Tax

Value Added Tax is not recoverable by the charity and as such is included in the relevant costs in the statement of financial activities.

Notes to the financial statements 30 June 2021

1. Voluntary donations

	2021 £	2020 £
Donations from NPT (US)	-	82,753

Voluntary income was wholly unrestricted in 2020.

2. Donations to giving funds

	2021 £	2020 £
Monies received as contributions to Donor Advised Funds (DAFs) (Unrestricted funds)	52,263,517	6,513,772
	52,263,517	6,513,772

3. Investment income

	2021 £	2020 £
Listed and unlisted investments	46,000	2,813
Interest on cash held as part of investment portfolio	1,043	1,136
	47,043	3,949

Investment income was wholly unrestricted in both years.

4. Total expenditure

	Raising Funds £	Charitable Activities £	2021 Total Funds £	2020 Total Funds (c) £
Direct costs				
Grants (a)	-	9,118,462	9,118,462	789,142
Allocated support costs (b)				
Other	47,112	201,248	248,360	47,425
Governance costs (d)	34,881	-	34,881	44,448
Total	81,993	9,319,710	9,401,703	881,015

Notes to the financial statements 30 June 2021

(a) Grants

Grants for the year have been made in support of the following charitable activities:

	2021 £	2020 £
Education	3,567,664	181,311
The arts	2,555,180	449,772
General charitable organisations	1,041,445	51,258
Medicine and health	838,644	86,594
Nature and the environment	613,880	-
Social welfare	254,154	15,722
Religion	184,999	-
International	62,496	4,485
	9,118,462	789,142

The following institutions received total grants which are considered to be material in the context of NPT UK's expenditure for the year ended 30 June 2021. Grants are not made to individuals.

	2021 £
Yale University	1,021,211
Donmar Warehouse Projects Limited	700,000
International Foundation for Research and Education	525,750
Princeton Charitable Foundation Limited	395,983
Tusk Trust Limited	380,000
The Royal Academy of Arts	375,000
Berkshire Youth Trust	300,000
	3,697,944

The following institutions received total grants which are considered to be material in the context of NPT UK's expenditure for the year ended 30 June 2020. Grants are not made to individuals.

	2020 £
Yale University	180,310
The Royal Academy of Arts	125,000
Donmar Warehouse Projects Limited	100,000
English National Opera	100,000
	505,310

Notes to the financial statements 30 June 2021

(b) *Allocated support costs*

Support costs are allocated based on time spent on activities.

(c) *Comparative information*

Comparative information for total expenditure, analysed by fund, is as follows:

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	2020 Total Funds £
Raising funds	78,940	802,075	881,015

(d) *Governance costs*

Governance costs comprised:

	2021 £	2020 £
Legal expenses	13,281	27,948
Accountancy and audit fees	21,600	16,500
	34,881	44,448

5. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Auditor's remuneration (inclusive of VAT)	13,080	12,000
Accountancy fees	8,520	4,500

6. Key management personnel

The key management personnel during the year were the Trustees and the Chief Executive Officer. The total cost of employment of the key management personnel (including employer's national insurance and pension contributions) are incurred by NPT Transatlantic Limited as governed by the service agreement with NPT UK.

Notes to the financial statements 30 June 2021

7. Trustees' remuneration and expenses

No Trustee received any remuneration or were reimbursed for any expenses from the charity for their services (2019/20: £nil).

8. Taxation

NPT UK is a registered charity and therefore is not liable to corporation tax on income derived from its charitable activities, or on income and gains arising from investment, as it falls within the various exemptions available to registered charities.

9. Investments

	2021 £	2021 £	2020 £	2020 £
Market value at 1 July	2,161,342		-	
Additions at cost	42,716,034		4,254,923	
Disposals at market value	(12,748,285)		(2,136,700)	
Net realised and unrealised gains	1,470,257		43,119	
Market value at 30 June		33,599,348		2,161,342

Investments at market value comprised:

	UK £	Overseas £	2021 Total £	2020 Total £
Accounts and investments on call	2,576,962	-	2,576,962	750,994
Money market time deposits	437,416	-	437,416	1,052,894
Listed investments	13,056,288	-	13,056,288	357,454
Bonds	2,912,569	-	2,912,569	-
Multi asset funds	6,931,409	-	6,931,409	-
Alternative investments	2,403,334	5,281,370	7,684,704	-
	28,317,978	5,281,370	33,599,348	2,161,342
Historical cost of investments				32,412,685

10. Debtors

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	2021 Total Funds £	2020 Total Funds £
Debtors and prepaid expenses	3,600	-	3,600	6,737
Other debtors	44,948	62,528	107,476	7,970
	48,548	62,528	111,076	14,707
Total 2020	14,707	-	14,707	

Notes to the financial statements 30 June 2021

11. Creditors: amounts falling due within one year

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	2021 Total Funds £	2020 Total Funds £
Purchase ledger balances	15,120	-	15,120	-
Audit fee	22,680	-	22,680	15,600
Accrued expenses	-	44,948	44,948	7,971
Due to NPT-US	1,750	-	1,750	2,008
	39,550	44,948	84,498	25,579
Total 2020	17,608	7,971	25,579	

12. Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through surplus/deficit	33,599,348	2,161,342

13. Movements in funds

	Balance as at 1 July 2020 £	Income £	Expenditure £	Realised & Unrealised gains/ (losses) £	Balance as at 30 June 2021 £
Unrestricted operating funds	22,309	120,756	77,548	(5)	65,512
Unrestricted DAF funds	5,757,658	52,310,560	9,324,155	1,470,262	50,214,325
	5,779,967	52,431,316	9,401,703	1,470,257	50,279,837

	Balance as at 1 July 2019 £	Income £	Expenditure £	Realised & Unrealised gains/ (losses) £	Balance as at 30 June 2020 £
Unrestricted operating funds	4,706	96,572	78,940	(29)	22,309
Unrestricted DAF funds	-	6,516,585	802,075	43,148	5,757,658
	4,706	6,613,157	881,015	43,119	5,779,967

Unrestricted operating funds can be applied towards fulfilling NPT UK's charitable purposes.

Unrestricted DAF funds represent funds available for the support of charitable activities.

Notes to the financial statements 30 June 2021

14. Analysis of net assets between funds

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	2021 Total Funds £
Fixed assets	-	33,599,348	33,599,348
Current assets	105,062	16,659,925	16,764,987
Current liabilities	(39,550)	(44,948)	(84,498)
	65,512	50,214,325	50,279,837

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	2020 Total Funds £
Fixed assets	-	2,161,342	2,161,342
Current assets	39,917	3,604,287	3,644,204
Current liabilities	(17,608)	(7,971)	(25,579)
	22,309	5,757,658	5,779,967

15. Related party transactions

During the year ended 30 June 2021, the National Philanthropic Trust donated £nil (2019/20 - £82,753) to NPT UK as a voluntary donation. Purchases of £23,008 (2019/20 - £24,096) were made from the National Philanthropic Trust in respect of operating expenses. At 30 June 2021 £1,750 (2019/20 - £2,008) was owed to the National Philanthropic Trust.

In fiscal year 2020/21, NPTUK received £1,334,144 from NPT Transatlantic Limited as a donation to establish a donor-advised fund for a mutual donor.

16. Subsequent events

NPT UK has evaluated their subsequent events (events occurring after 30 June 2021) through 4 November 2021, which represents the date the annual report and accounts were issued.

On 27 August 2021, NPT UK entered a Co-Branding and Collaboration Agreement with Cazenove Capital to create a bespoke private label donor-advised programme made available to customers of Cazenove.