



Chartered  
Institute of  
Fundraising

# ANNUAL REPORT & ACCOUNTS

APRIL 2020 TO DECEMBER 2020

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## Vision

Excellent fundraising for a better world

## Values

Our values underpin all our activities

- Passionate – taking pride in what we do.
- Enabling - helps and is empowered to take ownership, find solutions, make decisions and collaborate.
- Enterprising - open to new solutions and committed to delivering where we already excel.
- Respectful - honest and fair and treat everyone with consideration and respect.
- Professional - champions and achieves high standards and is governed by professional integrity

## Charitable objects

The objects for which the Institute is established are:

1. to advance or promote the efficiency of organisations established for charitable purposes throughout the United Kingdom;
2. to promote higher standards of administration and fundraising for charitable purposes throughout the United Kingdom; and
3. to educate the public in relation to the matters referred to in Articles 3.1.1 and 3.1.2 throughout the United Kingdom.

## Highlights

2020 will be remembered worldwide as the year of the COVID pandemic which destroyed lives and damaged families and communities around the world, the murder of George Floyd and the resurgence of the Black Lives Matter movement, focussing attention on structural racism in the US and around the world.

In the UK, the pandemic demonstrated the vital role of charities and civil society, responding to the direct needs of people suffering as a result of the pandemic, continuing to deliver their vital activities and focusing governments' attention on the existing inequalities that were being exacerbated.

And we would first like to reflect on the amazing response from the fundraising community to the crisis. In the most challenging of conditions fundraisers around the UK continued to raise vital funds for their causes, despite lockdown conditions, engaging and inspiring

supporters in new and different ways to demonstrate their love of others and generosity throughout the pandemic. Truly exceptional.

In the policy and public affairs space, we strongly represented our members and the charity sector more broadly as part of the coalition which secured a £750 million emergency funding package from the Westminster government, and continued to make the case for more support for the sector throughout the year, as well as championing its achievements and impact.

From the perspective of the Chartered Institute, it signified not only the year of the pandemic, but our first as a Chartered body, and one in which we also adjusted our financial year end from March to December, with 2021 being a transitional year with a 9-month reporting period.

And it was a challenging year for the Chartered Institute whose activities are focussed on bringing fundraisers together to share and learn, normally through face-to-face engagement which was forced to be put on hold due to essential social distancing measures.

We pivoted quickly, ensuring all our activities continued in a virtual space, from our qualifications to Fundraising Convention; from our Groups' networking activities to our member engagement with fundraisers from charities large and small. The virtual environment proved positive for growing our reach, but from a financial perspective impacted significantly on our income, creating the necessity to reduce our staff team while maintaining our support to the fundraising community.

As well as keeping focused on serving the needs of our members, we delivered our rebrand and new website, and continued the implementation of a new customer relationship management system (CRM) to enable us to better meet the needs of our members for years to come.

We also continued to innovate and expand the range of training and development open to the fundraising community, securing a the first every Fundraising Apprenticeship at Level 3, and becoming the End Point Assessment Centre for fundraising apprenticeships.

Our member engagement has been strong throughout the period, and we would particularly like to thank our volunteers around the UK, who have maintained and enhanced their support for the fundraising community over the year. Whether creating the programme for Fundraising Convention, organising networking events all around the UK, guiding our work on fundraising standards or our competency framework, or reaching out to different subsectors of the fundraising community, from the health sector to corporate fundraisers, from researchers in fundraising to trust fundraisers in Scotland, they have been simply amazing. Thank you all.

Our achievements and impact in more detail:

### **Remember A Charity**

Legacy income was the lifeblood for many charitable organisations in 2020, funding frontline services at a time when other income streams were heavily hampered by the pandemic.

Since the charitable consortium was founded twenty years ago, it has continued to help drive behaviour change in legacy giving. The number of charitable estates has grown by 22%, from 29,500 in the late 1990s to 36,000 in 2019, with now over 16% of wills containing a charitable gift.

In what was an extremely challenging year, Remember A Charity's first priority was to support its members through times of uncertainty; providing regular communications and resources to help keep the legacy sector connected. Our usual face-to-face events were replaced with webinars. Our new Remember A Charity podcast brought together experts from the legacy sector to help answer questions and discuss key topics that are affecting legacy fundraisers during Covid-19.

Remember A Charity Week 2020 was our most successful ever, thanks in part to the timely return of the Wombles to help raise awareness of legacy giving, inspiring more than 55,000 people to visit our website during the campaign alone.

We were delighted to lead a legacy giving roundtable hosted by the Minister for Civil Society, Baroness Barran MBE, which brought together representatives from the Law Society, financial planners and the charity sector.

Will-writing itself saw a huge uplift during 2020, with many turning to online providers to ensure their affairs were in order. However, the surge in demand has not been without its challenges. The pandemic sadly led to a rise in death rates, an increase in incomplete grant applications and challenges to usual working practices, increasing the pressure on the probate system.

Remember A Charity worked collaboratively with its members and the wider charity sector to ensure HM Courts & Tribunals Service committed to addressing the probate backlog and minimise future delays to vital charitable income.

### **Equality, Diversity and Inclusion**

We continued to prioritise our work on equality, diversity and inclusion (EDI) over the course of the period, launching our EDI Recruitment Guides in July and rolling out EDI training to all our staff and volunteers around the UK.

We commissioned an independent review of our handling of complaints about sexual harassment in December 2020, and in March 2021 we published an Action Plan to improve all aspects of our complaints policies, processes and handling. This included ensuring independent leadership of both oversight and handling of complaints through a new

Professional Conduct Committee; setting up a new Safeguarding Task Group to develop a new, stronger organisation-wide approach to safeguarding and a Culture Commission to lead on work to create a truly inclusive culture within the Chartered Institute and the wider fundraising community.

### **Policy and public affairs**

We worked closely with charity membership bodies to form a strong campaign to represent and champion the charity sector during the pandemic, raising the importance of fundraising and donations for charities during lockdown. The campaign aimed to inform and influence the Westminster government to implement a 5 Point Plan to support charities. As well as contributing to the evidence and work that resulted in the £750 million support package announced by the UK Government, the coalition has continued to engage with MPs, Civil Servants, and Ministers – providing evidence and advocating for the charity sector.

Since the beginning of the pandemic, we have been monitoring the impact on our sector through a regular 'Covid Charity Tracker' in collaboration with Pro Bono Economics and the Charity Finance Group to provide a credible and well-informed picture of the impact of the pandemic on charities, as well as track how fundraising has been able to respond and develop. This work has led to informing press and media work, with coverage on national newspaper front pages, as well as contributions and interview through broadcast national and local news programmes.

We have continued to play a key partner role in key public-facing fundraising campaigns such as Giving Tuesday, the 2.6 Challenge, and the Captain Tom 100, as well as supporting specific campaigns including Payroll Giving Week, Gift Aid Awareness Week, and Small Charities Week, and key campaigns such as the Gift Aid Emergency Relief Package.

Working in close partnership with the Fundraising Regulator, and in close dialogue with Government, we have produced guidance to help charities and fundraisers return to fundraising activity in a safe and responsible way. Through consultation with Health and Safety Executive and Public Health England, the co-produced guidance has been able to provide confidence and reassurance to charities and partner agencies in their decisions as to when and how to return to fundraising as lockdown and social distancing requirements allow.

We have also continued to work on research and guidance in other areas of fundraising during the year, such as producing a new resource on 'Environmental Change' to help fundraisers respond to the climate emergency and working with partner organisations to bring up-to-date and relevant information on how donors and fundraising was responding and giving through collaborative work with key partners.

'From Response to Recovery' was a key resource produced in June 2020 to help charities and fundraisers navigate the changes and challenges that the pandemic was bringing. Produced in partnership with THINK it covered key strategic questions to provide a framework to help fundraisers work with their Boards and colleagues to set the right course.

## **Events**

We transitioned all our events, including Fundraising Convention, online. Our early adoption of a virtual events strategy resulted in continuous engagement with the fundraising community and enabled us to reach new audiences across the UK.

We created a webinar series which covered topical issues relevant to the climate fundraisers found themselves in, allowing them to access content as well as peer support. These webinars reached 2,700 fundraisers covering 16 topics. We held seven one-day conferences covering different fundraising specialisms, techniques and issues resulting in engagement from over 1,800 fundraisers. With emergency support from the National Lottery Community Fund, we successfully grew our reach, with 3,300 delegates in total, with 1,600 of these being from small charities.

## **Corporate Partnerships**

We would like to thank all our corporate partners and sponsors, who, in an extremely difficult environment, continued to invest in their relationships with us, contributing to delivering enhanced content and engagement with our members and the wider fundraising community.

We would particularly like to thank Blackbaud & JustGiving, Rapidata, Salesforce, Bates Wells and PayPal GF for their continued support.

## **Professional development**

158 fundraisers graduated with one of our qualifications, of whom 95 achieved the Certificate in Fundraising, 62 Diploma in Fundraising and one the International Advanced Diploma.

We also launched the new Foundation Certificate of Fundraising which is a level three course (equivalent to A levels or BTEC Diplomas) and were recognised as the new End Point Assessment Organisation for the new level three apprenticeship in fundraising.

We continued to deliver our highly successful RAISE programme, for arts and culture organisations funded by Arts Council England. During the year, we ran 14 events including 11 panel discussions and three networking events. Each panel discussion event attracted over 150 attendees from across the UK.

The mentoring programmes resulted in 19 pairings with three in London and 16 outside-London.

The RAISE programme also offered bursaries: three for the Introduction to Fundraising; six for the Certificate in Fundraising; 15 for CSN National Conference 2020 and 24 for Fundraising Convention 2020.

## People and culture

The Board formally delegates day-to-day management to the Chief Executive, Peter Lewis (to 21 May 2021) and Dhivya O'Connor (since 10 May 2021). The Chief Executive leads a Senior Leadership Team made up of the Director of Membership, Professional & Corporate Partnerships, Director of People & Engagement, Director of Organisational Membership and Remember A Charity and Director of Finance.

As a result of the significant reduction of income we suffered as a result of the lockdown, we were forced to undertake a full restructure towards the end of 2020. This resulted in 11 redundancies (20% of our team), 14 role changes, three changes to working hours and three redeployments.

During the period, 12 staff were placed on furlough at various points in time, and we made up their salary to 100%.

We would like to thank all the staff who worked with us over the last year for their hard work and commitment.

## Staff demography

- ◆ We have had a slight increase in the proportion of men in our workforce. Women make up 75% of the UK third sector workforce (Agenda Consulting 2020). We have a higher ratio of men to women than is usual in the sector.
- ◆ Less than 1% of the population of London do not identify with a gender they were assigned at birth and our results are in line with this figure.
- ◆ We are starting to exhibit a more balanced age profile. However, we do have very few under 24-year-olds and no over 65's. Voluntary sector workers are generally older than private or public sector workers with around 38% over 60 (NCVO 2018), we do not follow this trend.
- ◆ We employ more people identifying as gay, bisexual or lesbian than the proportion in London 2.8% and nationally 2.2% (ONS 2018).
- ◆ We employ more than twice the number of those with no religious belief compared to London's figures 27.6% (ONS 2019) and no representation from some of the major religions (Hinduism, Judaism, Islam and Sikhism).
- ◆ We employ significantly more single people than the national population data 34.4% (ONS 2017), however London generally attracts a younger single population, so we are more in line with London demographics.



- ◆ With just under 3 in every 10 employees identifying as from a black or minority ethnic group we are higher than the sector generally 1 in 10, but we do not reflect London's 4 in 10. (NCVO 2019)
- ◆ We have slightly fewer employees identifying as having a disability than the sector average of 20% (NCVO 2012.). The numbers preferring not to say if they have a disability have declined slightly.
- ◆ We have slightly fewer employees with caring responsibilities, but the numbers still broadly mirror those for the London population.

## Remuneration Ratios:

### Gender pay gap

Although not required to report on gender pay due to the size of the organisation (44 employees), we conducted a gender pay gap analysis. Analysis across the job levels shows the need to increase the percentage of female employees in Director roles.

Date	% Mean pay gap	% Median pay gap
Feb 2021	15.3	28.4
March 2020	21.9	22.6
Dec 2019	27.5	21.8

### CEO pay ratio

Although not required to report on pay ratios due to the size of the organisation, we are committed to transparency and have reported below the ratio of our highest paid staff member (the salary plus benefits of our CEO) to each of three points on the pay scale – the 25th percentile, the median and the 75th percentile.

Date	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Feb 2021	3.0:1	2.5:1	1.9:1
March 2020	3.4:1	2.7:1	1.9:1
Dec 2019	3.6:1	2.8:1	1.9:1

### Ethnic pay ratio

Although not required to report on how ethnicity affects pay, we are committed to eliminating racism so have conducted ethnicity pay analysis. Figures show the gap is slowly closing.

Date	Feb 2021	March 2020
% mean hourly pay gap BAME and white employees	3.2	9.9
% median hourly pay gap BAME and white employees	12.5	16.1
%employees reporting as BAME	25	30

We invested in the support we provided to our staff over the period as due to the pandemic all staff immediately migrated to home working.

## The year ahead

The year ahead is a transitional one in many ways for the Chartered Institute. We are coming to the end of our last strategy (2017-21) and will embark on the development of a new strategy for 2022 onwards. We are transitioning out of the pandemic into a new environment. We are transitioning to a new permanent Chief Executive who will lead our future development.

At the same time, we will continue to deliver the support our members and the wider fundraising community need, we will continue to prioritise our work on equality, diversity and inclusion and we will focus on the delivery of our Action Plan to tackle harassment, discrimination and abuse in the fundraising community.

In particular, we will publish new research on the barriers faced by black and minority ethnic fundraisers and begin work on how we can attract more deaf and disabled fundraisers into the profession.

We will continue our strong partnership work with the Fundraising Regulator, guiding organisations back into fundraising as the lockdown eases.

## Financial Review

On 31 March 2020, the activities and net assets of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising. The total carrying value of the net assets transferred was £1.6m. The Board of the Chartered Institute of Fundraising made the decision to change its accounting reference date from 31 March to 31 December.

The financial results of the charity's activities for the nine months to 31 December 2020 are set out in the Statement of Financial Activities and supporting notes. The income was £3.1m (year to 31 March 2020 £6m). The total expenditure was £3.5m (year to 31 March 2020 £6.2m) of which £3.3m was spent on charitable activities. We ended the year with a smaller than budgeted deficit of £473k.

Our individual and organisational membership numbers have declined due to the impact of the pandemic. We retained 4,846 individual members (year to 31 March 2020 5,800) and 518 organisational members (year to 31 March 2020 675). Number of corporate members and members of Remember A Charity remained the same as in the previous year at 124 and 200 respectively.

The charity's unrestricted free reserves were £58k as at 31 December 2020 (£283k as at 31 March 2020). Other unrestricted reserves have been specifically designated to provide for future depreciation of fixed assets and for work of the Special Interest Groups. Further information on the Institute's funds is contained in note 13 to the accounts.

## **Going Concern and COVID Impact**

As a result of the pandemic the Chartered Institute lost over 25% of its annual income and had to restructure losing a quarter of its staff. Despite this, we implemented a new CRM system, website and identity, continued our work on equality, diversity and inclusion, transferred all our activities into a virtual environment and began to create a whole new relationship with our volunteer groups. We also started work to embed excellent member and customer services across the organisation.

In 2021 our financial objective is to start rebuilding our free reserves to meet the requirements of our Reserves Policy. This will be achieved by rebuilding the Chartered Institute taking into account the new environment, the lessons we have learnt through Covid, our commitment to EDI, and embedding new ways of working and new ways of supporting members and the wider fundraising community.

Having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections, the Trustees are satisfied that it remains appropriate to prepare the statements on a going concern basis.

## **Reserves Policy**

The nature of the Chartered Institute's activities has meant that the majority of income is received in advance, notably from membership and events. This not only provides the Chartered Institute with high levels of working capital but also allows the charity to adapt future plans based on income secured to manage risks. At the end of December 2020, income received in advance (reported in the creditor balance) totalled £793k (2020: over £1.1m).

As a result of the analysis of income received in advance, the dynamics of the current business model and acknowledging the challenging external environment, the Board of Trustees has adopted a risk-based reserves policy. This policy takes high and medium risks established as part of the annual planning process and feeds them into the budget for the year to provide a composite picture of the overall impact of retained risk on free reserves. This approach is designed to enable the retention of sufficient free reserves to fund unexpected expenditure when unplanned events occur that cannot be managed through revisions to in-year plans.

Following a review of the risks to which the successor charity, the Chartered Institute of Fundraising may be exposed to in its plans for 2021, the Board of Trustees considered that the Institute should hold free reserves in the range of £300k to £400k. This would allow the new Chartered Institute to operate as effectively as possible and to implement its strategy. After excluding restricted and designated funds, the free reserves of the charity amounted to £58k at the end of December 2020 (31 March 2020: £283k). The low level of free reserves reflects the investment in a new CRM system and a new website which was launched in October 2020. The costs of the investment are included in the designated funds. The Trustees plan to rebuild the free reserves to the required level over the next two years through setting a post COVID strategy for income generation and careful monitoring of expenditure.

## **Investment Powers and Policy**

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Trustees see fit. The Trustees delegate the management of investments to the Finance and Resources Committee. Excess cash funds are held on short-term deposits.

## **Risk Assessment**

The Trustees have a process of continuous risk assessment that examines key areas of risk at quarterly Trustee meetings. The Chief Executive is tasked with reporting to the Trustees about the implementation of agreed systems to manage identified areas of risk. The Trustees are satisfied that the major risks to which the Institute is exposed have been reviewed and systems have been established to manage and mitigate the impact of those risks.

The Trustees have identified the following key areas of external and business critical risk to be considered by the Trustees of the Chartered Institute of Fundraising moving into 2021:

- ◆ The coronavirus pandemic will continue to have an impact on the Chartered Institute, its members, the whole fundraising community and the charity sector as a whole. Measures to protect public health are likely to continue having a significant impact on fundraised and trading income and will have a severe impact on a whole range of the Chartered Institute's business model.
- ◆ The ongoing risk to the fundraising profession of a major scandal or an externally driven campaign, which could result in major financial and delivery challenges for the fundraising community, the Chartered Institute's members, and the Chartered Institute. The Chartered Institute will continue to invest in our compliance, guidance and training services to support members to meet their obligation to adhere to the Code of Fundraising Practice. The Chartered Institute will continue to focus on promoting excellent and innovative fundraising and continue to invest staff time and resources to manage media and external relationships.
- ◆ The potential for statutory regulation of fundraising and a political environment and policy context unsympathetic to fundraising could have a significant impact on services provided by charities and the Chartered Institute. The Chartered Institute will continue to support fundraisers to deliver excellent fundraising, and represent the fundraising community to the government, the regulators and the media.
- ◆ Implementation of the internal transformation programme, notably including new CRM system and website requires significant focus and organisational commitment in addition to ongoing service delivery and enhancement. Oversight of the transformation programme will continue to be provided by the Finance & Resources Committee and the Board of the Chartered Institute.

## **Structure, Governance & Management**

The Chartered Institute of Fundraising is governed by Royal Charter. It is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator.

### **Appointment of Trustees**

Eight Trustees are elected by the membership and are announced at the Annual General Meeting, which takes place in July each year. Up to four further Trustees may be co-opted at any time.

Elected Trustees serve a term of three years and may be appointed to serve for one further term. The four co-opted Trustees shall retire after one year, unless reappointed. Each co-opted trustee shall be eligible for reappointment up to a maximum term of six years in total.

The Chair and Officers are appointed by the Trustees from among their number.

A full list of the trustees who served during the period can be found in the reference and administrative details.

### **Trustee induction and training**

All new Trustees are issued with a full set of documents covering governance, the committee and decision-making process, the business plan and recent financial performance of the charity and are given a full induction by the Chair and staff team. The Trustee away day focuses on the strategic direction of the Institute and involves the organisation's Senior Leadership Team.

### **Organisation**

The Board convenes every quarter for a meeting that examines performance, finance, strategy and risk.

The Board of Trustees continues to move towards the standards set out in the Charity Governance Code and have been taking action to address specific identified weaknesses since then.

The Board have also noted NCVO's Charity Ethical Principles.

Clearly laid out responsibilities are defined for the Trustee body. Delegated powers are given to the Finance and Resources Committee to provide oversight of finance, HR, IT, investment and property matters, and to the Nominations and Elections Committee to oversee the trustee election and nomination processes.

The Finance & Resources Committee is chaired by the Honorary Treasurer, and the committee is composed of a mix of Trustees and non-trustees appointed for their technical skills and experience.

The Board has set up a series of advisory and functional committees to support the staff in the day-to-day running of the Institute. These are:

- ◆ Equality, Diversity & Inclusion
- ◆ Finance and Resources Committee
- ◆ Fundraising Convention Board
- ◆ Standards Advisory Board
- ◆ Learning and Development Committee
- ◆ Nominations and Elections Committee

The Board formally delegates day-to-day management to the Chief Executive, Peter Lewis (to 21 May 2021), Dhivya O'Connor (from 10 May 2021). The Chief Executive leads a Senior Leadership Team made up of the Director of People & Resources, Director of Partnerships & Innovation, Director of Membership, Compliance and Professional Development, Director of Engagement & External Affairs, and Director of Development & Remember A Charity.

### **Staff remuneration**

Trustees set the salary of the Chief Executive, using benchmarking and other data to inform their decision. The Chief Executive, in consultation with the Board and Finance and Resources Committee, sets the salaries of all other staff, using benchmarking and other data to review pay levels.

### **Volunteers**

The CIOF relies on the voluntary input of members and supporters for a large amount of its activities. Time given as group committee members and organisers, speakers, trainers, advisors, Committee members and in other ways supporting Coif's work enables us to provide a wide range of services to members and the sector that we would otherwise be unable to provide. We currently have around 500 regular volunteers.

This volunteer time is not recognised as either income or expenditure in the Statement of Financial Activities but is of huge importance to our members and the wider fundraising community and is greatly valued by the organisation.

### **Public benefit statement**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Chartered Institute of Fundraising's charitable purpose is enshrined in its objects, as follows:

- i. To advance or promote the efficiency of organisations established for charitable purposes throughout the United Kingdom.

- ii. To promote higher standards of administration and fundraising for charitable purposes (as so defined) throughout the United Kingdom.
- iii. To educate the public in relation to the matters referred to in (i) and (ii) above throughout the United Kingdom.

The Trustees ensure that these purposes are carried out for the public benefit by delivering services to enable those with fundraising responsibility in the charity sector to develop and adopt best practice, thereby promoting a transparent and efficiently managed charity sector that engenders public confidence and trust. Further, by supporting those in the charity sector with fundraising responsibility, we are able to help all charities to maximise the use of their resources and make a greater impact for all their beneficiaries.

The services that we deliver cover our strategic objectives as set out. Many of these services are open to all, for example training courses and conferences can be accessed by non-members, whilst our policy and campaigning work also benefits those in the wider fundraising community. Chartered Institute of Fundraising membership is open to any organisations or people employed by a charity or business with responsibility for, or an interest in, fundraising, and who are happy to sign up to comply with the Code of Fundraising Practice and our own Code of Conduct. The Institute provides a range of bursaries and scholarships to support access to our services.

Within the structure of the Annual Report of the Trustees, we have commented on this year's activity against our strategic objectives.

All Trustees give their time voluntarily and receive no benefit from the charity in relation to their role as Trustees. Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

### **Trustees' responsibilities**

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity and of its financial activities for that period. In preparing those financial statements, the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently.
- b) make judgements and estimates that are reasonable and prudent.
- c) state whether the policies adopted are in accordance with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), subject to any material departures disclosed and explained in the financial statements.
- d) prepare the financial statements on the on-going concern basis, unless it is inappropriate to assume that the charity 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 charity and enable them to ensure that the financial statements comply with relevant legislation. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities. The Trustees confirm that the accounting policies adopted are in accordance with the Charities Act 2011, and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements have been prepared on the going concern basis.



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**Chair**



## Independent Auditor's Report

### Opinion

We have audited the accounts of the Chartered Institute of Fundraising (the 'charity') for the period ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient and proper accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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:

- ◆ Discussions were held with management to determine whether there were any issues of irregularities, fraud or laws and regulation.
- ◆ 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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity'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
- ◆ 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.
- ◆ tested journal entries to identify unusual transactions; and

- ♦ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ reading the minutes of meetings of those charged with governance; and
- ♦ enquiring 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 accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and 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 charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 5 July 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Financial Statements for the period ended 31 December 2020

### Statement of Financial Activities

	Notes	Period ended 31 December 2020			Year to 31 March 2020		
		Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME FROM:</b>							
Donations and legacies (including gifts in kind)		57,817	-	57,817	-	78,000	78,000
Raising funds	2	127,986	-	127,986	171,675	-	171,675
Charitable activities	3						
- Create a better environment for fundraisers to raise money		851,117	784,029	1,635,146	1,261,486	1,064,539	2,326,025
- Increase understanding of fundraising		72,911	17,960	90,871	260,755	268,017	528,772
- Enable fundraisers to be the best they can be		1,023,479	185,692	1,209,171	2,701,354	214,586	2,915,940
Other sources		134	-	134	2,666	-	2,666
<b>TOTAL INCOME</b>		<b>2,133,444</b>	<b>987,681</b>	<b>3,121,125</b>	<b>4,397,936</b>	<b>1,625,142</b>	<b>6,023,078</b>
<b>EXPENDITURE ON:</b>							
Raising funds	2	181,817	-	181,817	265,938	-	265,938
Charitable activities	4						
- Create a better environment for fundraisers to raise money		854,145	909,930	1,764,075	1,075,954	1,109,789	2,185,743
- Increase understanding of fundraising		284,509	18,214	302,723	416,662	268,251	684,913
- Enable fundraisers to be the best they can be		1,207,913	137,722	1,345,635	2,795,586	302,619	3,098,205
<b>TOTAL EXPENDITURE</b>		<b>2,528,384</b>	<b>1,065,866</b>	<b>3,594,250</b>	<b>4,554,140</b>	<b>1,680,659</b>	<b>6,234,799</b>
<b>NET EXPENDITURE</b>		<b>(394,940)</b>	<b>(78,185)</b>	<b>(473,125)</b>	<b>(156,204)</b>	<b>(55,517)</b>	<b>(211,721)</b>
<b>TRANSFERS BETWEEN FUNDS</b>	13	<b>47,663</b>	<b>(47,663)</b>	<b>-</b>	<b>407,892</b>	<b>(407,892)</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(347,277)</b>	<b>(125,848)</b>	<b>(473,125)</b>	<b>251,688</b>	<b>(463,409)</b>	<b>(211,721)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward at 1st April 2020	13, 14	1,178,948	423,147	1,602,095	927,260	886,556	1,813,816
<b>Total funds carried forward at 31st March 2020</b>	13, 14	<b>831,671</b>	<b>297,299</b>	<b>1,128,970</b>	<b>1,178,948</b>	<b>423,147</b>	<b>1,602,095</b>


The statement of financial activities includes all gains and losses recognised in the period.

As described in the notes to the accounts, the legacy charity's net assets and activities were transferred on a going concern basis to the newly registered charity with effect from 11.59pm on 31 March 2020. Merger accounting has been applied in these financial statements in accordance with paragraphs 27.12 - 27.13 Charities SORP FRS 102 in recognition that the new legal entity is continuing with the charitable purposes and beneficiaries of the previous entity. Consequently, the comparative figures presented above and in these financial statements relate to the Institute of Fundraising for the year ended 31 March 2020.

## Balance sheet as at 31 December 2020

	Notes	31 December 2020		31 March 2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	9	505,063		420,080	
Tangible fixed assets	10	33,414		40,422	
			538,477		460,502
<b>Current assets</b>					
Debtors	11	754,929		1,033,466	
Cash in bank and in hand		932,680		1,510,326	
		1,687,609		2,543,792	
Creditors: amounts falling due within one year	12	(1,097,116)		(1,402,199)	
<b>Net current assets</b>			590,493		1,141,593
<b>Total net assets</b>			1,128,970		1,602,095
<b>The funds of the charity</b>					
Unrestricted funds	13				
- General		58,033		282,691	
- Designated		773,638		896,257	
Total unrestricted funds			831,671		1,178,948
Restricted income funds	13		297,299		423,147
<b>Total charity funds</b>			1,128,970		1,602,095

The financial statements were approved by the Trustees on 24 June 2021 and signed on their behalf by:



**Claire Rowney**  
Chair



**Rohan Hewavisenti**  
Hon. Treasurer

## Statement of Cash Flows Period to 31 December 2020

		Period ended 31 December 2020	Year to 31 March 2020
	Note	£	£
<b>Cash flow from operating activities</b>			
Net cash used in operating activities	A	(436,174)	(29,538)
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(141,472)	(420,104)
<b>Net cash used in investing activities</b>		(141,472)	(420,104)
<b>Change in cash and cash equivalents in the year</b>		(577,646)	(449,642)
<b>Cash and cash equivalents brought forward</b>		1,510,326	1,959,968
<b>Cash and cash equivalents carried forward</b>	B	932,680	1,510,326

## Notes to the cash flow statement for the period to 31<sup>st</sup> December 2020

### A. Reconciliation of net movements in funds to net cash flow from operating activities

	Period ended 31 December 2020	Year to 31 March 2020
	£	£
<b>Net expenditure for the reporting period (as per then statement of financial activities)</b>	(473,125)	(1,813,816)
<b>Adjustments for:</b>		
Transfer to the Chartered Institute of Fundraising (note 17)	-	1,602,095
Depreciation and amortisation charge	63,497	87,167
Decrease in debtors	278,537	383,838
Decrease in creditors	(305,083)	(288,822)
<b>Net cash used in operating activities</b>	(436,174)	(29,538)

### B. Analysis of cash and cash equivalents

	Period ended 31 December 2020	Year to 31 March 2020
	£	£
<b>Total cash and cash equivalents: cash at bank and in hand</b>	932,680	1,510,326

## Notes to the financial statements

### 1. Accounting policies

#### a) Statutory information

The Chartered Institute of Fundraising is incorporated by Royal Charter (RC000910) and is a charity registered in England and Wales (1188764) and Scotland (SC050060).

The registered office address is Charter House, 13-15 Carteret Street, London, SW1H 9DJ.

#### b) Basis of preparation

These accounts have been prepared for the 9-month period to 31 December 2020.

Merger accounting has been applied in these financial statements, as described below, in recognition that the new legal entity is continuing with the charitable purposes and beneficiaries of the previous entity. Consequently, the comparative figures presented in these financial statements relate to the legacy charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The accounts are presented in sterling and are rounded to the nearest pound.

#### c) Merger accounting

The assets, liabilities and activities of the charitable company, Institute of Fundraising, were transferred to the new charity on 31 March 2020. Merger accounting has been applied in these financial statements in accordance with paragraphs 27.12 - 27.13 Charities SORP FRS102 in recognition that the new legal entity is continuing with the charitable purposes and beneficiaries of the previous entity. Consequently, the comparative figures presented in these financial statements relate to the legacy charity for the year ended 31 March 2020.

#### d) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

#### e) 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 tangible and intangible fixed assets;
- ◆ provision of bad debt; and
- ◆ the allocation of support costs (as discussed below).

**f) 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 18 months from the date of approval of these accounts.

The cash balance as at 30 December 2020 amounts to £933k and a cashflow forecast shows an improvement by the end of the 2021 financial year to £1.1m. Similar level of cash at bank is expected to remain until December 2022. The first quarter 2021 management accounts show a steady income stream with expenditure lower than budget and an increase in general reserves.

The liquidity ratio at 1.5 indicates that the Institute can pay its short-term liabilities when they fall due. On this basis the Trustees consider the Institute to be a going concern.

**g) Income**

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income from membership, corporate support, sponsorship, exhibitions and advertising is credited to the Statement of Financial Activities when earned. Income from training courses is credited to the Statement of Financial Activities when the course commences. All other items of income are credited to the Statement of Financial Activities in the year in which they are received.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**h) Donated goods and services**

Donated goods and services are included at the value to the Institute i.e., the value the Institute would have paid in the open market. The majority of these gifts in kind are donated venues and meeting hosting, and free marketing and advertising.

**i) Investment income**

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

**j) Fund accounting**

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

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds designated by the Trustees for particular purposes.

**k) Expenditure and irrecoverable VAT**

Expenditure, other than for training courses, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure for training courses is recognised in full when the course commences.

Expenditure is classified under the following activity headings:

- ◆ Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and their associated support cost.
- ◆ Expenditure on charitable activities includes the costs of delivering services, training, events and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**l) Allocation of support costs**

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

**m) Operating leases**

Rental charges are charged on a straight-line basis over the term of the lease.

**n) Intangible fixed assets**

Comprises of computer software enhancements on the Institute's database and website and compliance training platforms, which are capitalised where the purchase price exceeds £500. Amortisation costs are allocated to activities on the basis of the use of the related assets in those assets. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Amortisation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life, which has been calculated as 4 years.

**o) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Office Equipment	4 years
Furniture and Fittings	4 years
Land and Buildings	remaining life of the lease
Leasehold equipment	remaining life of the lease(s)

**p) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**q) Cash at bank and in hand**

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

**r) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Income received in advance for goods or services that accrue in future periods are deferred and recognised as a liability.

**s) Pensions**

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute. The Institute makes contributions to the pension scheme in accordance with its obligations under the Pensions Reform Regulations. All amounts paid by the charity are charged to the Statement of Financial Activities as incurred.

**t) Tax policy**

The Institute is exempt from Corporation Tax as its income is raised charitably and spent on its charitable purposes

## 2. Income and expenditure from raising funds

	Unrestricted funds	
	Period ended 31 December 2020	Year to 31 March 2020
	£	£
<b>Income from raising funds</b>		
Corporate support	112,838	117,182
Corporate sponsorship	15,148	54,493
	<b>127,986</b>	<b>171,675</b>

	Unrestricted funds	
	Period ended 31 December 2020	Year to 31 March 2020
	£	£
<b>Costs of raising funds</b>		
Staff costs	153,796	174,514
Web development	28,245	38,171
Corporate sponsorship	(33,862)	8,724
Support costs (note 5)	33,638	44,529
	<b>181,817</b>	<b>265,938</b>

### 3. Income from charitable activities

	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Period to 31 December 2020 Total
	£	£	£	£
<b>Unrestricted funds</b>				
Individual membership	371,518	-	-	371,518
Organisational membership	479,599	-	-	479,599
Compliance Directorate		72,911		72,911
National convention, conferences and events			404,131	404,131
Academy			504,309	504,309
Other professional development income	-		69,747	69,747
Regional and special interest groups	-		45,292	45,292
	<u>851,117</u>	<u>72,911</u>	<u>1,023,479</u>	<u>1,947,507</u>
<b>Restricted funds</b>				
Wales office	-	-	44,367	44,367
Scotland office	13,470	17,960	58,369	89,799
Remember A Charity	620,559	-	-	620,559
CIOF Lottery	150,000	-	-	150,000
Compliance directorate	-	-	-	-
Arts Council England	-	-	82,956	82,956
	<u>784,029</u>	<u>17,960</u>	<u>185,692</u>	<u>987,681</u>
<b>Total income from charitable activities to December 2020</b>	<u>1,635,146</u>	<u>90,871</u>	<u>1,209,171</u>	<u>2,935,188</u>

### 3. Income from charitable activities (continued)

	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Year to 31 March 2020 Total
	£	£	£	£
Unrestricted funds				
Individual membership	541,920	-	-	541,920
Organisational membership	719,566	-	-	719,566
Compliance Directorate	-	260,755	-	260,755
National convention, conferences and events	-	-	1,346,829	1,346,829
Academy	-	-	753,355	753,355
Other professional development income	-	-	45,886	45,886
Regional and special interest groups	-	-	542,719	542,719
Policy Projects	-	-	12,565	12,565
	<u>1,261,486</u>	<u>260,755</u>	<u>2,701,354</u>	<u>4,223,595</u>
Restricted funds				
Wales office	-	-	33,048	33,048
Scotland office	16,980	22,640	73,580	113,200
Remember A Charity	1,047,559	-	-	1,047,559
Compliance directorate	-	245,377	-	245,377
Arts Council England	-	-	107,958	107,958
	<u>1,064,539</u>	<u>268,017</u>	<u>214,586</u>	<u>1,547,142</u>
Total income from charitable activities to March 2020	<u>2,326,025</u>	<u>528,772</u>	<u>2,915,940</u>	<u>5,770,737</u>

#### 4. Expenditure on charitable activities

	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Period to 31 Dec 2020 Total
	£	£	£	£
<b>Unrestricted funds</b>				
Membership services	636,923	-	-	636,923
National convention	-	-	476,950	476,950
Academy	-	-	432,075	432,075
Policy projects	112,104	89,683	22,421	224,208
Other professional development costs	-	-	24,637	24,637
Regional and special interest groups	-	-	41,594	41,594
Compliance Directorate	-	123,346	-	123,346
Support costs (note 5)	105,118	71,480	210,236	386,834
	<u>854,145</u>	<u>284,509</u>	<u>1,207,913</u>	<u>2,346,567</u>
<b>Restricted funds</b>				
Wales office	-	-	24,410	24,410
Scotland office	11,894	15,855	51,528	79,277
Remember A Charity	663,767	-	-	663,767
CIOF Lottery	150,000	-	-	150,000
Arts Council England	-	-	27,328	27,328
Support costs (note 5)	84,269	2,359	34,456	121,084
	<u>909,930</u>	<u>18,214</u>	<u>137,722</u>	<u>1,065,866</u>
<b>Total expenditure on charitable activities to December 2020</b>	<u>1,764,075</u>	<u>302,723</u>	<u>1,345,635</u>	<u>3,412,433</u>

#### 4. Expenditure on charitable activities (continued)

	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Year to 31 March 2020 Total
	£	£	£	£
<b>Unrestricted funds</b>				
Membership services	749,870	-	-	749,870
National convention	-	-	1,275,916	1,275,916
Academy	-	-	608,447	608,447
Policy projects	154,571	123,657	30,914	309,142
Other professional development costs	-	-	41,339	41,339
Regional and special interest groups	-	-	482,083	482,083
Compliance Directorate	-	198,837	-	198,837
Support costs (note 5)	171,513	94,168	356,887	622,568
	<u>1,075,954</u>	<u>416,662</u>	<u>2,795,586</u>	<u>4,288,202</u>
<b>Restricted funds</b>				
Wales office	-	-	116,673	116,673
Scotland office	17,432	23,242	75,538	116,212
Remember A Charity	979,998	-	-	979,998
Compliance Directorate	-	184,363	-	184,363
Arts Council England	-	-	64,466	64,466
Support costs (note 5)	112,359	60,646	45,942	218,947
	<u>1,109,789</u>	<u>268,251</u>	<u>302,619</u>	<u>1,680,659</u>
<b>Total expenditure on charitable activities to March 2020</b>	<u>2,185,743</u>	<u>684,913</u>	<u>3,098,205</u>	<u>5,968,861</u>



## 5. Allocation of support and governance costs

		Unrestricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	Period end to 31 Dec 2020 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	12,325	8,381	24,650	3,944	49,300
Operating lease rentals	Staff Time	18,215	12,386	36,429	5,829	72,859
Governance costs (note 6)	Staff Time	7,685	5,225	15,369	2,549	30,828
Miscellaneous	Staff Time	66,396	45,150	132,793	21,247	265,586
Irrecoverable VAT (note 8)	Staff Time	497	338	995	159	1,989
Total unrestricted Dec 2020		105,118	71,480	210,236	33,728	420,562
		Restricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	Period end to 31 Dec 2020 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	9,881	277	4,040	-	14,198
Operating lease rentals	Staff Time	14,602	590	5,790	-	20,982
Governance costs (note 6)		6,160	-	2,700	-	8,860
Miscellaneous	Staff Time	53,228	1,490	21,763	-	76,481
Irrecoverable VAT (note 8)	Staff Time	398	2	163	-	563
Total restricted 2020		84,269	2,359	34,456	-	121,084
Total allocated Dec 2020		189,387	73,839	244,692	33,728	541,646

## 5. Allocation of support and governance costs (continued)

		Unrestricted funds				
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	Year to 31 March 2020 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	16,873	9,264	35,110	4,381	65,628
Operating lease rentals	Staff Time	32,212	17,686	67,027	8,363	125,288
Governance costs (note 6)	Staff Time	16,094	8,836	33,488	4,178	62,596
Miscellaneous	Staff Time	105,687	58,027	219,915	27,439	411,068
Irrecoverable VAT (note 8)	Staff Time	647	355	1,347	168	2,517
Total unrestricted March 2020		171,513	94,168	356,887	44,529	667,097
Restricted funds						
	Basis of Allocation	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable Fundraisers to be the best they can be	Cost of raising funds	Year to 31 March 2020 Total
		£	£	£	£	£
Support Cost						
Depreciation & amortisation	Staff Time	11,054	5,966	4,520	-	21,540
Operating lease rentals	Staff Time	21,102	11,390	8,628	-	41,120
Governance costs (note 6)		10,543	5,690	4,311	-	20,544
Miscellaneous	Staff Time	69,236	37,371	28,309	-	134,916
Irrecoverable VAT (note 8)	Staff Time	424	229	174	-	827
Total restricted 2020		112,359	60,646	45,942	-	218,947
Total allocated March 2020		283,872	154,814	402,829	44,529	886,044

## 6. Governance Costs

	Period to 31 Dec 2020	Year to 31 March 2020
	£	£
Auditor's fees - statutory audit	15,500	16,727
- under provision from previous year	372	(480)
- other services	2,625	3,754
Trustees' meeting costs	241	2,874
Office and other costs	20,852	60,265
	<b>39,590</b>	<b>83,140</b>

## 7. Staff costs

	Period to 31 Dec 2020	Year to 31 March 2020
	£	£
Wages and salaries	1,527,969	2,134,221
Social security costs	162,679	213,639
Pension contributions	99,856	136,936
Redundancy/termination payments	175,924	-
	<b>1,966,428</b>	<b>2,484,796</b>

During the year, employees earning in excess of £60,000 per annum fell into the following:

	Period to 31 Dec 2020	Year to 31 March 2020
	Number	Number
£90,000 - £99,999	1	1
£70,000 - £79,999	5	4
£60,000 - £69,999	2	3

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis comprise the Chief Executive and an Executive Management Board, currently made up of the Director of People & Resources, Director of Partnerships & Innovation, Director of Membership, Compliance and Professional Development, Director of Engagement & Public Affairs, and Director of Development & Remember A Charity. Salary, employer's NI and employer's pension contributions of the key management personnel for the period totalled £416,082 (for the year ended 31 March 2020 - £536,486). Trustees' remuneration for the period was £nil (for the year ended 31 March 2020 - £nil).

## 7. Staff costs (continued)

A total of £241 (for the year ended 31 March 2020 - £2,360) was reimbursed to 1 (for the year ended 31 March 2020 - 4) trustees in relation to out-of-pocket travel and subsistence costs incurred in connection with their duties as trustees of the charity.

The average number of employees analysed by function was:

	Period to 31 Dec 2020 Number	Year to 31 March 2020 Number
Costs of raising funds	5	5
Create a better environment for fundraisers to raise money	13	15
Increase understanding of fundraising	13	14
Enable fundraisers to be the best they can	<u>21</u>	<u>22</u>
	<u>52</u>	<u>56</u>

## 8. Value Added Tax

The charity is partially exempt for VAT and cannot recover all the VAT it pays. Irrecoverable VAT in the year amounted to £89,835 (for the year ended 31 March 2020 - £228,108) and is included within its associated expenditure category. Irrecoverable VAT which cannot be allocated is included within support costs (note 5) which is £2,563 (for the year ended 31 March 2020 - £3,345).

## 9. Intangible fixed assets

<i>All used for direct charitable purposes</i>	Computer software and website	Total
	£	£
<b>Cost</b>		
At 1 April 2020	878,373	878,373
Additions	135,261	135,261
Disposals	(200,155)	(200,155)
At 31 December 2020	813,479	813,479
<b>Amortisation</b>		
At 1 April 2020	458,293	458,293
Charge for year	50,278	50,278
Released on disposals	(200,155)	(200,155)
At 31 December 2020	308,416	308,416
<b>Net book value</b>		
At 31 December 2020	505,063	505,063
At 31 March 2020	420,080	420,080

Included within intangible fixed assets are assets which relate to restricted funds. The net book value of assets held as restricted funds at 31 December 2020 was £42,613 (for the year ended 31 March 2020 - £14,121).

## 10. Tangible fixed assets

	Office equipment	Furniture and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	111,467	257,375	368,842
Additions	6,211	-	6,211
Disposals	(53,310)	(73,720)	(127,030)
At 31 December 2020	64,368	183,655	248,023
<b>Depreciation</b>			
At 1st April 2020	72,445	255,975	328,420
Charge for year	13,147	72	13,219
On disposals	(53,310)	(73,720)	(127,030)
At 31 December 2020	32,282	182,327	214,609
<b>Net book value</b>			
At 31 December 2020	32,086	1,328	33,414
At 31 March 2020	39,022	1,400	40,422

Included within tangible fixed assets are assets which relate to restricted funds. The net book value of assets held as restricted funds at period end 31 December 2020 was £nil (for the year end 31 March 2020 - £nil).

## 11. Debtors

	Period ended 31 Dec 2020	Year ended 31 March 2020
	£	£
Trade Debtors - Unrestricted	277,999	420,209
Trade Debtors - Restricted	187,437	216,559
Accrued Income	79,562	71,646
Other Debtors	118,834	74,330
Prepayments	91,097	250,722
	<b>754,929</b>	<b>1,033,466</b>

Included within other debtors for period end 31 December 2020 is a balance of £nil which falls due after more than one year (for the year end 31 March 2020 – £48,996).

## 12. Creditors - Amounts falling due within one year

	Period ended 31 Dec 2020	Year ended 31 March 2020
	£	£
Trade creditors	74,270	112,741
VAT	10,792	23,029
Taxation and Social Security costs	81,159	61,257
Other Creditors	111,180	136,083
Accruals & Deferred income - Unrestricted	502,620	680,731
Accruals & Deferred income - Restricted	317,095	388,358
	<b>1,097,116</b>	<b>1,402,199</b>

	Period ended 31 Dec 2020	Year ended 31 March 2020
	£	£
Deferred income brought forward	1,070,089	1,328,869
Income released during the period	(2,085,077)	(3,428,036)
Income deferred during the period	1,807,715	3,169,256
<b>Deferred income carried forward</b>	<b>792,727</b>	<b>1,070,089</b>

Deferred income as at 31 December 2020 relates to membership income received in the period for the year ending 31 December 2021.

### 13. Movement in funds

	At 1 April 2020 (note 17)	Income	Expenditure	Transfers gains and (losses)	At 31 December 2020
	£	£	£	£	£
<b>Unrestricted funds</b>					
General funds	282,691	2,088,153	(2,435,255)	122,444	58,033
Designated funds					
- Regional and special interest groups	449,876	45,292	(41,594)	(175,800)	277,774
- Fixed assets (intangible and tangible)	446,381	-	(51,536)	101,019	495,864
Total designated funds	896,257	45,292	(93,130)	(74,781)	773,638
<b>Total unrestricted funds</b>	<b>1,178,948</b>	<b>2,133,445</b>	<b>(2,528,385)</b>	<b>47,663</b>	<b>831,671</b>
<b>Restricted funds</b>					
Wales office	-	44,367	(31,800)	-	12,567
Remember A Charity	358,102	620,559	(746,268)	(67,663)	164,730
CIOF Lottery Funding	-	150,000	(150,000)	-	-
Scotland office	-	89,798	(91,068)	20,000	18,730
Arts Council England	65,045	82,956	(46,729)	-	101,272
<b>Total restricted funds</b>	<b>423,147</b>	<b>987,680</b>	<b>(1,065,865)</b>	<b>(47,663)</b>	<b>297,299</b>
<b>Total funds 2020</b>	<b>1,602,095</b>	<b>3,121,125</b>	<b>(3,594,250)</b>	<b>-</b>	<b>1,128,970</b>

## **13 Movement in funds (continued)**

### **Designated Funds**

#### Regional & Special Interest Groups

The funds relate to income and expenditure arising from our network of National, Regional & Special Interest Groups. These funds have been ring-fenced for application by the Regional & Special Interest groups as needed.

#### Fixed assets (tangible and intangible)

This fund reflects the carrying value of the charity's tangible and intangible fixed assets represented by unrestricted funds. The balance has been set aside on the understanding that these assets are fundamental to the day-to-day operations of the charity and therefore cannot be realised in order to meet working capital requirements.

### **Restricted Funds**

#### Remember A Charity

Remember A Charity is the Institute's long-term project to increase legacy giving to charity.

#### Scotland Office

The Institute receives grants from the Scottish Government for the purpose of funding our activities in Scotland. This is also complemented through other earned income generation activities and subsidised through a contribution from IoF central unrestricted funds to cover the costs of activities in Scotland.

#### Arts Council England

In April 2018, the Institute was appointed as a National Portfolio Organisation by Arts Council England and commenced delivery of the RAISE programme to support fundraisers and fundraising organisations in the cultural sector. Working with the Institute's Cultural Sector Network, in partnership with Young Arts Fundraisers and other stakeholders, the four-year programme aims to support excellent fundraising practices and shared learning throughout Arts, Culture and Heritage organisations across England.

#### CRM Funding

The fund represents grants and donations received specifically to help fund the development and implementation of a new Customer Relationship Management (CRM) system for the charity. The transfer from the restricted fund to unrestricted funds has been made to reflect the fact that the funds have been used to procure the CRM system in accordance with the terms on which the funding was received, but the CRM will be freely available to meet the needs of the charity going forward.



#### 14 Analysis of net assets between funds

Immediately prior to the transfer to the Chartered Institute of Fundraising at 11:59pm on 31 March 2020, the fund balances were represented by the following assets and liabilities:

At period end 31 December 2020	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	495,864	42,613	538,477
Debtors	567,492		187,437	754,929
Cash in bank and at hand	270,562	277,774	384,344	932,680
Creditors: amounts falling due within one year	(780,021)	-	(317,095)	(1,097,116)
<b>Total 2020</b>	<b>58,033</b>	<b>773,638</b>	<b>297,299</b>	<b>1,128,970</b>

At 31st March 2020	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	446,381	14,121	460,502
Debtors	816,907	-	216,559	1,033,466
Cash in bank and at hand	479,625	449,876	580,825	1,510,326
Creditors: amounts falling due within one year	(1,013,841)	-	(388,358)	(1,402,199)
<b>Total 2019</b>	<b>282,691</b>	<b>896,257</b>	<b>423,147</b>	<b>1,602,095</b>

#### 15. Operating lease commitments

	Property		Equipment	
	Period end 31 December 2020	Year end to 31 March 2020	Period end 31 December 2020	Year end to 31 March 2020
	£	£	£	£
Within one year	102,033	85,027	33,700	33,700
Between two and five years	8,503	63,771	21,862	42,858
	<b>110,536</b>	<b>148,798</b>	<b>55,562</b>	<b>76,558</b>

## 16. Related Party Transactions

Other than the transactions disclosed within notes 7 and 17 to the financial statements, there are no further related party transactions to report (for the year end to 31 March 2020: none). Certain trustees may hold trusteeships or other senior posts within other organisations which are members of The Chartered Institute of Fundraising or may be direct members of the Institute – all such memberships subscriptions are offered at the Institute’s standard subscription rates.

## 17. Transfer of activities, assets and liabilities

With effect from 11.59pm on 31 March 2020, in accordance with a deed of transfer, the activities, assets and liabilities of the Institute of Fundraising were transferred to the Chartered Institute of Fundraising, a charitable company incorporated by Royal Charter (Charity Registrations Number: 1188764; Company Registration Number: RC000910).

The net assets at that date comprised:

	<u>£</u>	<u>£</u>
Intangible assets		
. Cost	878,373	
. Amortisation	<u>(458,293)</u>	
		420,080
Tangible fixed assets		
. Cost	368,842	
. Depreciation	<u>(328,420)</u>	
		40,422
Debtors		1,033,466
Cash at bank and in hand		1,510,326
Creditors: amounts falling due within one year		(1,402,199)
		<u>1,602,095</u>

The assets and liabilities were represented by the following funds:

	<u>£</u>
Unrestricted Funds	
. General Funds	282,691
. Designated Funds	896,257
Restricted Funds	<u>423,147</u>
	<u>1,602,095</u>

## Reference and administrative details

<b>Charity name</b>	Chartered Institute of Fundraising
<b>Charity numbers</b>	England and Wales 1188764, Scotland SC050060
<b>Registered office</b>	Charter House, 13-15 Carteret Street, London, SW1H 9DJ
<b>Auditors</b>	Buzzacott LLP 130 Wood Street, London EC2V 6DL
<b>Bankers</b>	National Westminster Bank PLC 358 South Lambeth Road, London, SW8 1UR
<b>Solicitors</b>	Bates, Wells & Braithwaite London LLP 10 Queen Street Place, London, EC4R 1BE
<b>Senior Staff</b>	Peter Lewis, Chief Executive (to 21 May 2021), Dhivya O'Connor, interim Chief Executive (from 10 May 2021).

### Trustees

The following have served as Trustees in the year and to the date of this report:

Claire Rowney	(From 12 February 2020)
Carol Akiwumi	(From 12 February 2020)
Sarah Bissell	(From 12 February 2020)
Joyce Fraser	(From 12 February 2020)
Rohan Hewavisenti	(From 12 February 2020)
Isobel Michael	(From 12 February 2020)
Emma-Louise Singh	(From 12 February 2020)
Liz Tait	(From 12 February 2020)
Sofia Zeenat Sheikh	(From 12 February 2020)
Kelvin Hopkins	(From 26 March 2020)
Nadine Campbell	(From 6 July 2020)

Details of each current trustee are available in the "what we stand for" section of the website <https://ciof.org.uk/about-us/what-we-stand-for/governance/trustees>