



NEW PHILANTHROPY CAPITAL

Report and Financial Statements for the year ended
30 June 2014

Charity No. 1091450

Company No. 4244715

MESSAGE FROM THE CHAIR OF TRUSTEES

It has been an extraordinary year for NPC. We have supported more organisations this year than at any time in our history (35% more than a year ago!). It is clear that we are having an ever increasing impact on the sector, whether it be by working for charities and foundations, through our training programmes or via our significant think tank output on critical issues facing our sector.

Despite the challenging financial headwinds, we continue to do more work and generate more revenues than ever before. However, we are a charity determined to contribute valuable ideas and insights beyond our paid work, and so we continue to rely on the generosity of trustees and supporters that allow us to ever expand our ambitions.

We're pleased to see that more and more organisations are utilising our resources—over 150,000 publications were downloaded from our website last year. Our central mission continues to be to make the sector more efficient, and one way we do this is by championing approaches such as theory of change and impact measurement. We also contribute to debates on key topics and share lessons with other organisations through blogs, articles, meetings and conferences—our geographic reach this year has included the USA, Australia, South Africa and New Zealand.

We are very proud of our innovations and creative thinking. The Justice Data Lab is potentially revolutionary in the ability to use government data to evaluate the performance of individual charities—we are working hard to get this model set up in other areas. We are starting to roll out a new initiative exploring the ability of digital technology to transform the sector.

Finally we have established the Supporters' Circle, which organises events and discussions with some of the most inspiring leaders in the charity and foundation world for a group of committed supporters of NPC. We hope to further expand the membership in the coming year and would like to thank all the guests for their participation and our supporters for their continued contributions.

On behalf of the Board I would like to take this opportunity to thank the NPC team for an outstanding year and, of course, to thank all of our clients for the relationships that we value so highly.

Richard Atterbury

MESSAGE FROM THE CHIEF EXECUTIVE

This is my third year at NPC. With each year, I become ever more convinced that the charity sector needs us. We bring analysis and rigour to a sector that is full of passion for its mission. We exist to transform the sector so that it does even better for the causes and beneficiaries it cares about. But how do we achieve this?

Our consultancy work is valuable to individual charities and funders. This is evidenced by the anonymous feedback we receive from our client surveys, as well as anecdotal feedback. Our clients tell us they are happy with the way we go about our work, and that it has enabled them to make changes and improve themselves and their impact. I am very proud of that, and our staff at NPC should take great credit for the mix of professionalism and enthusiasm that they apply to their work.

To achieve our mission we need to go beyond this. We need to take the learning, knowledge and credibility we gain from our consultancy into our think tank work so that our impact can spread more widely. So we publish guides to how to do things better. In the last year this has included our Four Pillar approach to impact measurement; a guide to charity financial analysis; and papers on measuring the impact of social investment and of campaigning.

We explore the trends in society that need to be responded to so that the charity sector can create more impact. Our Commission on the Voluntary Sector & Ageing is all about that. So is our work on commissioning and social investment and our forthcoming programme on digital disruption—all subjects that plague and intrigue (in equal measure) many charities and funders.

And we look at where new ideas are coming from that can be picked up by people in the sector—our recent work identifying 10 innovations in global philanthropy did that. We join public debates, giving our views on new requirements for data from the Charity Commission, on government programmes that affect the sector like the Work Programme and Transforming Rehabilitation; and we publish our manifesto to encourage politicians along the right path. Also, we seek to understand what the public are thinking about charities, as our *Mind the gap* polling showed.

As a consultancy we aim to be the best in the sector, with a mix of skills and experience that marks us out as unique. As a think tank, too, we are unique. There are plenty of voices for the sector, but most come from membership organisations or from people who only have a niche perspective rather than a wide knowledge of the sector; some rely on gut feelings more than hard evidence, and some are simply too fond of charities to see where the sector might be falling short. Our independence, and our analytical approach, means that we are able to spot the sector's shortcomings and give voice to them. When we criticise the sector, it is because we really care.

This mission is why we have a strong and effective communications team: we want the whole world to know what we do and to be influenced by it. Raising our profile—through more media coverage, a strong events programme, impressive publications, engaging social media content and a user-friendly website—is key to our own theory of change. I am pleased we have upped our game in all of the above over the last year.

But ours is a tricky model to fund. So I am very grateful to all those who support us in continuing our mission: from our consultancy clients, to those who fund our think tank work from charitable foundations and corporations, and to those who give us more or less unrestricted funding. My thanks go especially to our Supporters' Circle for backing the innovation and field-building work we value so much.

Thank you to my Board and especially my Chair for their support and challenge over the year and to my entire team who are the best in the business. We look forward to the challenges ahead with eagerness.

Dan Corry

ABOUT NPC (NEW PHILANTHROPY CAPITAL)

NPC is a charity that works as a consultancy and think tank, dedicated to helping charities and funders achieve the greatest impact so the lives of the people they serve are improved.

We bring shared values but different skills to charities and funders. By helping them use their resources more effectively and by inspiring new thinking and a focus on impact, we are playing our part in transforming the sector.

1. Our vision

Our vision is for a charity sector that makes the most of its resources, improves more lives and achieves the maximum impact possible.

In this world, charities, social enterprises, funders and investors are clear about what they want to achieve, their strategies are based on evidence and a clear theory of change, and there is a focus on continual learning and improvement. Charities and funders work together to achieve common goals and they share information on what works—and what does not. The sector also has the infrastructure and policies in place to help maximise its impact.

2. Our mission

Our mission is to transform the charity sector by increasing the impact of charities, increasing the impact of funders, and strengthening the partnership between the two.

Increasing the impact of charities. NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking we make charities' money, efforts and energy go further and help them to achieve the greatest impact.

Increasing the impact of funders. NPC's role is to make funders more successful too. We share the passion funders have for helping charities and for changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders. NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact.

At NPC we believe that the charitable and non-profit sector has a key role to play in solving the growing social problems facing Britain today. In these difficult economic times, charities are more critical than ever. We work hard to harness the passion and sense of mission that runs throughout the sector, and make it more effective.

3. Our activities

NPC occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

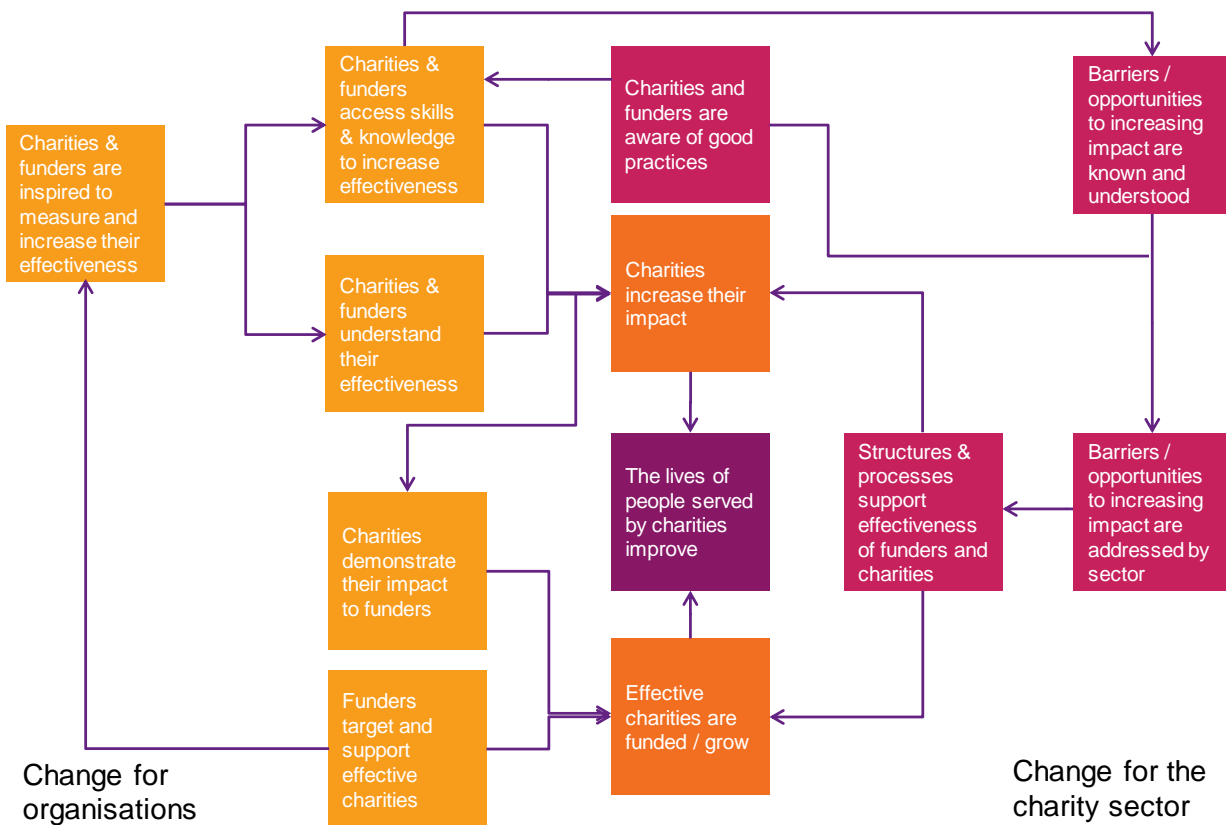
NPC works as a consultancy and think tank to identify, understand, communicate and overcome the barriers that charities and funders face to being effective.

As a **consultancy**, we work with charities, foundations, businesses, government and individuals to help them overcome obstacles to effectiveness, and to help us learn more about the issues the sector faces.

As the **independent think tank** for the charity sector, we bring our skills to bear to identify the obstacles holding the charity sector back and preventing it from maximising its impact. We develop, explore and test solutions to overcome these problems, and work with partners to catalyse change across the sector in practice and in policy so that the whole sector can achieve a greater impact.

4. Our theory of change

We believe that a theory of change is the foundation every charity needs to help achieve, and measure, its impact. Last year we developed and published our theory of change, and we are now using it as a basis for measuring our impact. We have been using the evidence we collect to test our hypotheses of how we are bringing about change and consider which of our activities are most effective. The outcomes we aim to achieve are not straightforward to measure but we are developing an approach that balances a robust methodology with proportional use of resources.



ACTIVITIES AND ACHIEVEMENTS

NPC’s work spans four main areas, and our key activities, achievements and case studies are detailed under these headings:

<p>1. Consulting Our research and consulting team works directly with charities and funders to provide independent advice and support them to be more effective.</p>	<p>2. Think tank Our think tank work pioneers solutions to barriers to effectiveness in the sector and provides an independent voice on issues affecting charities and funders.</p>
<p>3. Communications Our communications activity is a critical part of our work—helping us disseminate our research, share our perspectives and engage in relevant debates.</p>	<p>4. Special projects Our special projects take forward particular initiatives we have developed, such as the NPC Well-being Measure.</p>

1. Consulting

In 2013–2014 we worked with **64** research and consulting clients—from charities, trusts and foundations through to philanthropists and their advisors, businesses and government.

To create change within these organisations, we worked on projects ranging from strategic reviews to practical training workshops, through to developing theories of change and impact measurement approaches. We also provided grant-making support and advised on social investment.

We distribute feedback surveys to our clients once a project has been completed and these results demonstrate the direct outcomes of our consulting work:

- **72%** of clients surveyed said they had **made changes** as a result of working with NPC;
- **94%** of clients surveyed would **recommend us** to peers.

Our consulting projects allow us to help charities and funders access skills and knowledge to increase their effectiveness.

Case study: Heritage Lottery Fund (HLF)

The heritage sector is forecast to have lost £500m per annum of funding since 2010. The Heritage Lottery Fund, the largest funder of the UK’s heritage, commissioned NPC to conduct research to understand the heritage sector’s interest in, and access to, non-grant sources of finance, and the attitudes of potential social investors. HLF are keen to provide heritage organisations with more support to understand and evaluate new business models and alternative finance.



For phase one of the research we conducted a literature review and interviews with heritage organisations and social investors. For phase two we surveyed almost 1,000 heritage organisations and followed up with selected respondents to provide case studies. [Our report](#) summarises our findings and highlights both challenges and opportunities for the future.

This research was launched at the joint HLF and RSA event Heritage Exchange 2014, where Dan Corry also presented a [provocation on impact in the heritage sector](#).

Case study: Youth Justice Board (YJB)

We worked with the Youth Justice Board to deliver training to practitioners in the youth justice sector on the value and practice of developing theories of change. YJB commissioned the training to help improve the quality of intervention design and evaluation across the sector, with the longer-term goal that this improved capability would lead to increasing evidence-based practice.

We developed a tailored training package and during March and April 2014 delivered nine face-to-face training events to youth justice practitioners across England and Wales. We also held two online seminars, one each in May and June 2014, to target those who were not able to attend the face-to-face training and those who were interested in learning more and asking questions. Overall we had 181 training attendees, with representation from 106 out of 167 Youth Offending Services (63%). 80% of participants said that their expectations were met, 85% rated the event as good or excellent and 76% said they would use what they had learnt.

We also developed written guidance on theory of change for youth justice practitioners, which was used in the training and then updated with feedback and learning from the events before being shared with the network. The aim of the guidance is to help youth justice practitioners use the theory of change approach to design and evaluate programmes, practice and processes. This [guidance is available from our website](#) and has over 600 views. The online seminars are available via our [YouTube channel](#) and have been viewed over 180 times.

'Well delivered, interactive and interesting. Theory of change will be helpful in my work.'

'I feel it has focused me to look at what we do and why we do it, and has given me a tool to help with this.'

'I am going to implement it straight in to assessments and planning meetings and reviews.'

Case study: IMC

We helped IMC—a Netherlands based company trading on exchanges around the globe as well as managing assets for institutional clients—select an international development charity for a significant one-off donation to celebrate the company's 25th anniversary.

IMC had already identified two NGOs, each with three separate projects, and asked NPC to assess the six projects and recommend three. Having determined the key criteria important to IMC—including fit with their overall corporate giving strategy, clear demonstration of impact, ability to engage employees and absorb a significant donation—we devised a bespoke assessment process. This included understanding how the organisations would work with IMC to engage their employees and bring the project to life. We provided IMC with a summary of each project and IMC's employees were then invited to vote for the overall winner.

A Save the Children education project in Haiti won the IMC employees' vote. Over the next two years, IMC will fund the scaling up of a tried and tested education initiative that improves the quality of teaching, strengthens the school environment, and particularly focuses on literacy through Creole and French reading programmes, in areas of severe poverty and educational need within Haiti's capital, Port-au-Prince, reaching around 14,000 children.

Case study: National Children’s Bureau (NCB)

We supported the National Children’s Bureau with the development of theories of change for the organisation’s activities, as well as with the development of a framework for the organisation to be able to measure and report its impact.

NCB supports children, young people and families, as well as those who work with them, by promoting evidence-informed approaches and research, initiating new programmes and partnerships, and building the skills and networks of frontline practitioners. It is a large organisation with many different areas of work; as such, its research centre has historically focused on evaluating individual projects, paying less attention to the impact of the organisation as a whole.

We conducted interviews and led workshops with a representative group of staff to inform theories of change for two of the three key areas of work, clarifying the aims of this work and discussing desired outcomes and the steps required to achieve them. NCB took over the same process for the third area of work and developed a third theory of change, with NPC providing advice and guidance.

We then reviewed all existing data collection—where it gave strong information and where this was lacking—and made recommendations about how the organisation could improve its impact measurement practice. This included identifying appropriate measurement approaches for the priority outcomes highlighted in the theories of change, and advising on data collection. Our support extended to offering advice on how to roll out these improvements, through discussions of the challenges and reviewing internal briefing documents—a long-term process given the size and complexity of the organisation.

The three goals identified through the theory of change process—which relate to participation, vulnerable children, and prevention—have informed the organisation’s latest [strategic plan](#), ensuring that these sit at the heart of what it does.

Case study: Street Kids International (SKI)

We were commissioned by Street Kids International to develop a theory of change to support its strategic planning and act as a basis for developing an impact measurement framework. SKI had previously conducted evaluations on a project by project basis, but were keen to take a more robust approach to strategy and impact across the organisation as a whole.

SKI is based in the UK and Canada, so a staged process was required to ensure input from both teams to build consensus and support across the organisation. First, we prepared materials and had conversations with SKI’s programme managers in Toronto to equip them with the knowledge and resources to run a workshop exploring their views on the outcomes and aims of the organisation. We also produced interview questions and guidance for SKI staff to structure conversations with colleagues working in Africa and South America to get their input too.

We then delivered a one-day workshop with staff members and trustees in London. After introducing the concept of theory of change, we helped the UK team to identify their outcomes and agree on a final goal. Drawing on the outputs from both teams and interviews with international colleagues, we mapped a theory of change which included the causal connections between Street Kids International’s mission, outcomes and activities. As part of this process, we also began exploring which outcomes to prioritise for measurement. SKI was delighted with the final product and has secured pro-bono support from Ernst and Young, who have since developed an impact measurement framework based on the theory of change that NPC produced.

‘The NPC team were really supportive throughout the process...both SKI teams really feel ownership of the theory of change. It has already been applied in the development of our evaluation framework and is being used to guide strategic planning discussions and to refresh how we communicate about our work.’

Philippa Frankl, Executive Director, Street Kids International UK

Case study: Cabinet Office—Investment of LIBOR fines

In the 2013 Autumn Statement, it was announced that LIBOR fines were to be invested in providing support for emergency services personnel and their dependents who are injured, suffering ill-health, or bereaved, as a result of active service for the public.

This support is extended to police, fire, ambulance, search and rescue and lifeboat service personnel and also includes volunteers serving in the emergency services.

To help ensure that the money is invested fairly, equitably and sustainably, Cabinet Office engaged NPC to help them draw in views and evidence to determine the best use of the money. NPC and Cabinet Office brought together government departments, individuals and organisations with the expertise to contribute to the development of the approach to using this investment. We summarised what we learnt in a [document](#), and then distributed a survey to gather further views from those who have expertise in the field to influence the design of this programme. In October 2014 the government [announced the allocation](#) of nearly £10m to help support 200,000 emergency services personnel and volunteers. This funding will be focused on mental health, physical recuperation and bereavement support.



Cabinet Office

Case study: National Osteoporosis Society (NOS)

The National Osteoporosis Society approached NPC to help with the development of two theories of change to clarify how the Society's aims can be achieved in practice, and identify areas for measurement, as part of a broader aim to review how the charity evidences its impact.



We facilitated a one-day workshop with senior management, staff, trustees and health practitioners. It was important to involve a range of perspectives to ensure that the final product reflected staff's existing knowledge of the experiences of the Society's stakeholder groups, including those with the condition and their families or carers, plus relevant professionals such as medical staff, and, where applicable, statutory funders.

The workshop included an introduction to the theory of change concept and process, and sessions to clarify aims and discuss desired outcomes and the steps that are required to achieve them. We spent time thinking about key assumptions behind the causal links between steps, and looked at how different activities—information and guidance, awareness-raising, events, campaigns, and research—reinforce others.

We reviewed and consolidated all the information to develop two theories of change, along with a narrative for each. Priority outcomes were also discussed and identified to inform measurement efforts.

'NPC facilitated an excellent workshop and did an extremely good job of writing it up. The charity now has a theory of change for two of our key aims, which we are using as a basis for effective communication, focusing our priorities and developing our measurement. As an additional benefit, workshop attendees told us how valuable they found learning about theory of change and could see its potential in their day to day work.'

Nina Copping, Strategic Development Director, National Osteoporosis Society

Case study: BNP Paribas Wealth Management
**BNP PARIBAS
WEALTH MANAGEMENT**

BNP Paribas Wealth Management is the Eurozone's leading private bank, ranked 5th largest private bank globally. NPC has supported BNP Paribas for the past six years on the [BNP Paribas Awards for Individual Philanthropy](#), which recognises individuals each year from around the world for their initiative and commitment to achieving social change.

We select a long list of candidates based on various criteria—such as the social impact of the philanthropic initiatives, the philanthropists' personal and financial commitment, and the professionalism, sustainability and transparency of the projects. These candidates are then short-listed by BNP Paribas, NPC, and another external expert.

For the second stage of the project, we undertake detailed research and due diligence to produce a dossier on each of the short-listed candidates to help the independent jury make their final decision. We outline their philanthropic activity, and explain why they are suitable for the prize—conducting an interview with each candidate to confirm details and gather any other relevant information. The winners are chosen by an independent jury made up of leading figures from business and charitable organisations, along with experts from civil society.

'With the prize now in its 8th year, we are proud to have raised awareness of fourteen initiatives undertaken by extraordinary philanthropists. This wouldn't have been possible without a rigorous selection process. The service provided by NPC ensures that we put forward the most exemplary philanthropists for consideration by our independent jury.'

Nathalie Sauvanet, Head of Individual Philanthropy, BNP Paribas

Case study: MS Society

MS Society commissioned NPC to support the development of a new long-term strategy.

We were first appointed to provide an independent assessment of the charity's effectiveness to feed into the strategy process. Our analysis was conducted according to the methodology set out in our *Little blue book*, but tailored to include an additional focus on the MS Society's branch network. During this project, we interviewed 30 stakeholders, including senior managers and other members of staff, trustees, and directors based in Scotland, Northern Ireland and Wales. We also interviewed external stakeholders, including people with MS, carers, academics, the CEOs of other MS charities, and statutory funders. The report was presented to the MS Society's senior management team and the board of trustees—the team found it useful and it helped to shape their thinking about the new strategy.



The MS Society went on to involve people affected by MS, volunteers and staff in setting their new strategic goals—including a survey to which almost 3,000 people affected by MS responded. Once these goals were established, NPC supported the charity to develop theories of change for key areas of their work. To build the theories of change, NPC delivered two full-day workshops with staff members, trustees and people with MS. At the workshops, participants agreed on the wording for their goals, discussed the barriers to change, and developed initial theory of change maps for the four areas. The theories of change we developed have fed directly into the MS Society's new strategy. Each theory of change is owned by an internal champion within the MS Society, and the Society is now using the maps as the basis for a measurement framework.

'We sought NPC's help shortly after I joined MS Society as chief executive in 2013. NPC's comprehensive and thoughtful assessment helped management and trustees to understand the strengths and weaknesses of the Society, and to identify future actions. The process was constructive, and we have since used the team again to support us in developing our theory of change.'

Michelle Mitchell, Chief Executive of MS Society

Case study: Arts Council England

The [Cultural Commissioning Programme](#) is a three year programme funded by Arts Council England to support the arts and cultural sector to collaborate with commissioners in the changing public service landscape. It is a partnership, led by NCVO, which includes NPC and the New Economic Foundation (NEF).



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**ARTS COUNCIL
ENGLAND**



We undertook the initial research phase: this examined the public service commissioning landscape and highlighted opportunities for relationships between the sector and commissioners to be strengthened in the future. The research included an extensive review of the literature, more than 70 interviews with providers, commissioners and experts, and workshops and roundtables with representatives from across the sector. We also designed and distributed a survey to arts and cultural organisations to assess their experiences of commissioning and attitudes to impact measurement, and conducted a new analysis of existing NCVO Almanac data to assess the shape and financial profile of the arts and cultural sector.

The publication, [Opportunities for alignment: arts and cultural organisations and public sector commissioning](#), contains practical messages for arts and cultural organisations considering whether to engage in the delivery of public services; for commissioners seeking to work with arts and cultural organisations; and for strategic influencers including Arts Council England and policymakers. The findings have been used to inform the work of the Cultural Commissioning Programme, which includes support and advice for charities, commissioners and infrastructure organisation and a series of online resources to expand the evidence base for arts and culture. We have an ongoing role in the programme, focusing on helping arts and cultural organisations become better at understanding and illustrating their impact through the delivery of social impact seminars. These seminars will combine our expertise in impact measurement with insights from arts organisations who are leading the field in impact measurement.

Case study: Prince's Regeneration Trust (PRT)

NPC was commissioned by the Prince's Regeneration Trust to design an evaluation framework to measure the impact of projects designed to help community groups adapt and re-use derelict, at-risk, locally important buildings in deprived areas of the country.



We conducted a series of interviews with former PRT grantees, academic experts, social investors and property investors with a social impact agenda and ran workshops with PRT staff to inform the development of a theory of change for regeneration projects.

After a collaborative process of prioritising outcomes in the theory of change, we then developed an outcomes measurement framework. We suggested proportionate measurement for the size and timescale of projects and suggested a range of tools and methodologies for outcome measurement.

The project helped PRT to understand where and how they were creating value, and for whom. PRT expects to benefit from using a standardised system of measurement both for understanding the impact of future grants and loans, and for grantees to report on the outcomes of their activity throughout the regeneration process.

'NPC undertook the commission in a professional manner and delivered all the agreed outputs. The staff were extremely knowledgeable in their subject and helped the PRT team understand the complex issues involved and to develop a relevant theory of change model for regeneration projects.'

Rosie Fraser, Operations Director, Princes Regeneration Trust

2. Think tank

Through our work as the independent think tank for the not-for-profit sector, we provide thought leadership and pioneer solutions. To create sector-wide change, we identify issues that are preventing the sector from achieving its potential, explore ways to overcome them, and work with partners to catalyse the change needed.

Over the last year, we have become a more powerful voice in the charity sector, influencing and creating debate across a wide range of issues. We have done this through original research, public polling, targeted media activity and through the events we organise and speak at.

To help us understand how we have influenced the thinking and actions of the sector and how we are bringing about change, we surveyed our database in September 2014 to get feedback from clients, stakeholders and supporters.

63% of respondents agreed with the statement that **'NPC is helping to transform the charity sector'** and the top five ways that respondents felt we do this are by:

- helping charities and social enterprises become more effective;
- helping funders (grant-makers, businesses and individual donors) become more effective;
- raising awareness about important issues;
- equipping organisations with tools and solutions; and
- providing thought leadership.

17% of survey respondents felt that NPC had **increased its influence** in 2013–2014, while only 4% thought that our influence had decreased; 31% felt it had stayed the same and 48% were not sure.

Think tank funding

NPC's work as a think tank is funded by grants and donations, alongside support for particular projects from foundations and corporates. Unrestricted funding plays a particular role for NPC as it allows us to try to inspire and develop new, better ways of working to improve the effectiveness of the charity sector overall.

NPC's Supporters' Circle is a network of committed supporters whose funding enables us to carry out our pioneering work. This group of like-minded individuals has an appetite for new ways of working and shares our passion for making the charity sector more effective. As well as financial support, they also contribute ideas and expertise.

We are grateful to the Supporters' Circle and those foundations that provide us with the core funding we need to explore new areas and opportunities and tackle social problems more effectively.

Data Labs

NPC's [Data Labs project](#) aims to open up government administrative data to the not-for-profit sector to help organisations better understand the impact of their services on beneficiaries.

NPC [proposed the concept](#) for, and supported the development of, the first Data Lab—the [Justice Data Lab](#)—launched by the Ministry of Justice in April 2013. We are pleased that this year, after lobbying from us, the Ministry of Justice agreed to extend the project for another year of piloting (up until March 2015). We nominated the Justice Data Lab for a [Royal Statistical Society award](#) 'Statistical Excellence in Official Statistics' which the Justice Data Lab won. This has raised the profile of the Justice Data Lab amongst statisticians and the research community and acts as a validation of the methodology used as well as the importance of the service.

We are now working on a four-year programme funded by the Oak Foundation to support the development of further Data Labs in employment/benefits, health, substance misuse and education. We are also working to increase the demand for data for impact measurement, which so far has included media pieces, speaking at events and our [power of data](#) paper which includes recommendations for tackling the barriers that stop charities making the most of the data revolution.

NPC's Four Pillar approach

We are committed to sharing our approach for the wider benefit of the sector and believe in impact measurement as a way for charities and funders to increase their effectiveness. We know it helps organisations improve what they do and deliver the best results for their beneficiaries.



In June we published our unique [Four Pillar approach](#), developed through our consultancy work, which provides clear and practical guidance on developing an impact measurement framework. This has been downloaded from our website almost 1,400 times already and we have received positive feedback, including via social media:



Development Partners @devpartnersuk · Jun 10
A user-friendly/robust/methodical guide to impact measurement fr
[@NPcthinks](#). Might just take the fear away. [#4pillars](#) [bit.ly/1lk52mk](#)



David @ Impact Group @ImpactGroupDT · Jun 6
Great to see [@NPcthinks](#) pushing the impact agenda forward with their
[#4Pillars](#) programme. Cracking stuff!



Ready Unlimited @areyoureadyteam · Jun 5
[@NPcthinks](#) [#4pillars](#) is sooo useful! Started reading paper on train home &
spending this afternoon discussing how to apply! [#inspired](#)

Commission on the Voluntary Sector & Ageing

NPC set up the independent [Commission on the Voluntary Sector & Ageing](#), together with ILC-UK, to spark long-term thinking about how demographic changes will affect the voluntary sector. It has been funded by the National Lottery through the Big Lottery Fund and by Prudential.



Commission
on the Voluntary
Sector & Ageing

During the last year, the Commission has appointed Lynne Berry OBE as chair and secured a diverse group of commissioners with a range of perspectives: from front-line charities to academia, fundraising to policymaking. The Commission has also established an expert panel with representation from across the voluntary sector to ensure that recommendations are firmly rooted in the sector.

The first stage was research on the current and projected trends in both the charity sector, and in society as a whole, which fed into our discussion paper [Age of Opportunity](#). Launched in April, this outlined potential future scenarios to provoke discussions about how to embrace our ageing population and the opportunities it brings. Since then the Commission has been engaging sector leaders in thinking about these issues: speaking at numerous events, workshops and conferences, publishing regular blogs and securing 25 pieces of media coverage. The commission has also held roundtables with key stakeholders on the future of volunteering and fundraising in an ageing society and the role of the voluntary sector in the new health and social care landscape.

How do we drive productivity and innovation in the charity sector? RSA lecture

In May our chief executive Dan Corry [delivered a lecture](#) at the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA), explaining how charitable organisations must spearhead innovation and effectiveness to increase their ability to drive change in society. Dan called for a ‘shake-up’ of attitudes within the charity sector, urging more complacent parts of the sector to draw on private and public models of productivity to ensure better results for their beneficiaries. He also called on funders to redirect some of their money away from ‘slow and cumbersome’ organisations and instead target innovative charities.

**Towards a paradigm shift in the social sector**

To launch our ‘paradigm shift’ campaign—which argues that instead of being focused on delivering solutions to social problems, the social sector, in aggregate, often looks and behaves as if it is primarily focused on meeting the needs of its funders and its own organisations—Tris Lumley contributed a provocative article to the Stanford Social Innovation Review, [Transforming our anti-social sector](#). One of the most read and mentioned articles that week, it formed the focus of discussions with leading lights of the impact movement at events in Washington DC, New York, San Francisco, Melbourne and Sydney. Our message that we need field-level strategies, including shared measurement and data labs, was strongly welcomed. However, the sector is not yet in a position to invest in capacity of this kind, so we are now exploring partnerships with progressive funders—foundations, philanthropists, corporates and government—to make things happen.

Inspiring Impact: new free tools for the sector

Launched in 2012, [Inspiring Impact](#) is a collaborative programme that aims to make good impact practice the norm for charities and social enterprises by 2022. This means encouraging more organisations to plan, measure, assess, and improve their work on the basis of impact. It is an initiative that NPC worked hard to get up and running and we continue to act as the secretariat as well as leading the shared measurement strand of work.

While year one of Inspiring Impact concentrated on laying the foundations of the programme and building a movement, year two focused on embedding good practice, encouraging uptake and creating a digital platform. This included the development of two innovative online tools, which former Minister for Civil Society Nick Hurd welcomed as

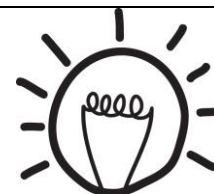
‘one of the most important things to happen during my time as Minister’

—citing their potential to free up charities to concentrate on what they do best: reaching out to assist people in need. Over 120 people attended the event which opened with a short video we produced to bring the tools to life.

Measuring Up! helps charities find out how well they are assessing the impact of their work. Designed by the Charities Evaluation Services (CES) and developed by Substance with support from NPC, it is based on *The Code of Good Impact Practice* and already has over 1,000 users. The Impact Hub, designed and developed by Substance, gathers in one place over 200 resources and tools that charities need to improve their impact practice, with over 5,000 visits to its pages so far.

We continue to research shared measurement opportunities. We will be outlining a framework for assessing if a sector is an appropriate candidate for shared measurement in an upcoming paper, and have recently begun a pilot to adapt *The Journey to Employment (JET) Framework* for Northern Ireland—a project supported by our partners in Northern Ireland, as well as the Northern Ireland NEETs Forum and the Department for Education and Learning.

Our original [resources](#)—*The Code of Good Impact Practice*, *Funders’ Principles and Drivers of Good Impact Practice*, and the *Blueprint for Shared Measurement*—continue to prove popular, and we have seen a 25% increase in traffic to the website compared with last year. To maintain our support for organisations embarking on this journey, NCVO will soon share findings from four Impact Leaders Forums, focusing on the experiences of different organisations striving to embed impact principles in their everyday work.



Researching funder impact practices

We carried out research in partnership with LBG (a group of corporate funders working together to measure their impact) to provide the first clear picture of impact measurement practices across a range of funders. [The report](#) includes the findings from a survey of grant-makers and companies and in-depth interviews with a number of funders, and sets a baseline from which funders can progress and improve the way they use evidence of impact for themselves and their grantees.



Our research showed that different levels of impact measurement work for different types of funding. We identified three main types of funding and then recommend impact measurement approaches for each one. It is clear that some funders may need to develop new approaches to fit with their role and needs.

Policy responses

As part of our work to influence thinking of policymakers and others, NPC has submitted a number of papers to different government departments. These include:

- Response to the Department for Work & Pensions' Commissioning Strategy 2013 for welfare-to-work outcomes and services;
- Response to the Department for Business, Innovation & Skills (BIS)'s call for views on corporate responsibility;
- Response to the Public Administration Select Committee's call for evidence on charity chief executive pay;
- Recommendations to Jeremy Wright, Parliamentary Under-Secretary, based on our vision for the Justice Data Lab and the experience and views of organisations that have and have not chosen to use it.

These submissions both draw on NPC's client and think tank work and further it. Our recommendations have ranged from suggesting that Corporate Responsibility teams adopt a shared measurement approach to assess the impact of their work—an approach that we have championed through our *Journey to Employment (JET) framework*—to suggesting that charity trustees explain the principles behind their remuneration decisions, which fits into NPC's drive to encourage greater transparency within the sector.

Exploring topical issues

We use our unique proximity to charities, funders and the government as a way to take an independent and authoritative view on sector issues— providing thought leadership, pioneering solutions and bringing people together. We identify issues that are preventing the sector from achieving its potential, explore ways to overcome them, and work with partners to catalyse change.

In 2013–2014 we produced thought pieces on the [relationship between affordable housing and philanthropy](#), and [food banks in the UK](#); convened roundtables on social impact bonds and the future of the charity sector in public service; and held the following [topical debates](#):

- What does the public think about charities?
- Are the NHS reforms working well for charities?
- Communities that work: can the voluntary sector help build social capital in areas of need?
- How are charities adjusting to the welfare changes?
- Can we prevent a 'lost generation'?

3. Communications

Through our communications activities, we drive change at both the organisational and sector level. We do this by ensuring that we communicate with clarity about our mission and services and by stimulating debates within the sector.

Over the last year we have focused on consolidating our digital activity which has resulted in **122,660** unique [webpage](#) views, **168,253** [publication](#) downloads from our website, **11,729** [Twitter](#) followers and **609** [LinkedIn](#) followers.

We have also been working to increase the quality and quantity of our media coverage and over the last year have appeared in *The Times*, *Telegraph*, *Financial Times*, *Guardian*, *Evening Standard*, *Observer*, *Sunday Times* and the *Daily Mail online* among others. We have provided an expert view on a number of issues affecting the charity sector, appearing in a wide range of sector publications and blogs including *Third Sector*, *Civil Society*, *Charity Times*, *The Fundraiser*, *Alliance* and *Spear's*.

Our [events programme](#) is thriving and in 2013–2014 we reached **2,849 people** via **53** conferences, topical seminars and training workshops.

Understanding public trust in charities

Last year, NPC embarked on a new programme of work on public trust in charities. This was prompted by a concern that the public trust that charities rely on so heavily might be wavering and that charities were not doing as much as they could do, both individually and collectively, to respond to criticisms. Without trust, charities' ability to deliver impact will be reduced.

We felt it was important to first gain a better understanding of public trust in charities and to explore people's concerns such as executive pay and aggressive fundraising. So we commissioned Ipsos MORI to survey 1,000 adults across Great Britain—a first for NPC which has previously focused polling on charities and social enterprises.

The findings of the poll were launched at a high-profile event and online through various channels in March 2014. More than 100 people gathered for our debate, kindly hosted by Deloitte, to hear from Bobby Duffy (Managing Director of Ipsos MORI), Mark Littlewood (Director General of the Institute of Economic Affairs), Ruth Sutherland (Chief Executive of Relate), and NPC's Sue Wixley, who co-authored the report [Mind the gap: What the public think about charities](#).

We also released the findings through our social media channels, reaching more than 2,000 people on LinkedIn and earning the ultimate 'hot topic' accolade by trending on Twitter—with over 60 mentions and 150 retweets. The findings were also picked up by the *Guardian*, *Huffington Post* and *Charity Times*, among others. The study has already been downloaded over 1,800 times from our website, and has fed into sensible, evidence-based discussions about these controversial topics.

Annual conference: Improving impact measurement and analysis

We held our 3rd annual conference in partnership with Third Sector on 15 October 2013. With a great line-up of speakers representing charities, funders, government and the private sector and over **200 people** attending, it has become the charity sector's leading impact conference and the place to go to learn how the impact measurement landscape is evolving and what it holds for the future.

Highlights of the day included:

- Insights into how to collect and use "good" evidence to boost value and improve performance, with Nesta Investment Management LLP, The Children's Society, The Indigo Trust and Clinks.
- Perspectives from funders on what they really want, with Big Lottery Fund, Impetus-PEF and USB AG.
- Practical workshops exploring the value of shared measurement frameworks and how to find tools.
- Social Investment in practice, with Social Investment Business Group (investor) and Bootstrap Company (investee).
- Inspiring case studies on making impact part of the DNA of an organisation from Which?, Mind and Family Action.

4. Special projects: NPC's Well-being Measure

We developed our [Well-being Measure](#) to help charities prove the difference they make to the lives of the people they support—we know that many struggle to measure soft outcomes such as improvements in self-esteem, quality of relationships or happiness.

NPC's Well-being Measure is an online survey-based tool designed to be used with groups of 11–16 year-olds. After a period of development and testing, the measure was launched in September 2011 and has so far attracted 79 paying customers—with nine new customers adopting the measure over the last year. Over the past year we have also explored the offer of a free trial of the tool for prospective customers. So far 272 users have signed up to the free trial, with a number converting to become paid customers after the trial period ended.

We are grateful to Esmée Fairbairn Foundation, Paul Hamlyn Foundation and the Private Equity Foundation for their support in establishing the Well-being Measure, and to our advisory board for their continued guidance.

Measure what you treasure

In May 2014 we released [Measure what you treasure](#), a paper providing new insights on well-being and young people, drawing on the data from our Well-being Measure gathered over three years from almost 7,000 young people and collected by more than 50 charities.

Our main findings—that children's well-being fell in every category from 11 to 16 years; and that girls fared worse than boys, significantly so when it came to self-esteem and emotional health—were widely covered in the mainstream media, including the [Sunday Times](#), [Mail on Sunday](#) and *i*. Against a backdrop of pressures created by new technology and a growing divide in how girls and boys are treated even from a very young age, we are pleased to have pushed the well-being of children back to the forefront of public and political debate.

Case study: Young Concern Trust (YCT)

Young Concern Trust is a mental health charity providing one-to-one counselling and other emotional support to children and young people in schools and community settings. The charity provides over 200 hours of one-to-one counselling every week, as well as small group work that includes Keep Yourself Safe (KYSS)—a six-week programme for young people exhibiting 'risky behaviours' to help them explore certain areas of risk taking and anticipate the consequences of their choices. All of YCT's work is focused on outcomes that result in enhanced life-skills, confidence and greater resilience; outcomes that lead to happier, brighter futures.

YCT used NPC's Well-being Measure to evaluate the impact made by one-to-one counselling on a total of 40 young people, and by KYSS on 147 young people in one of six schools offering the programme. The results for the KYSS project demonstrated a significant improvement in the whole group's (boys and girls) self-esteem, emotional well-being and life satisfaction. The boys' resilience had also improved. The results for the one-to-one counselling showed a significant improvement in self-esteem, emotional well-being, and resilience, satisfaction with friends, satisfaction with school and life satisfaction.

YCT have looked in detail at the report and suggested that a six-week course may not be as impactful as a longer course that would allow more exploration of issues at home, at school and with friends. The charity is currently piloting a KYSS+ group, where the parents of young people take part in a group that mirrors the material offered to their children. This includes a full-day drama group to explore relationship issues relevant to group members, which it hopes will have an impact on empathy and family relationships.

'YCT strive to be innovative and creative in the way that we plan, deliver and assess our work. NPC's Well-being Measure has enabled us to transform the way that we prove to our stakeholders that what we do makes a difference to the lives of children and young people.'

Sally Gubb, Operational manager, YCT



LESSONS LEARNT

At NPC, we believe reflection and learning can help us improve and achieve more in the future. Here we summarise some of the insights we have gained over the last year through our project work, research and through direct feedback.

- **Influence:** we know our reach is wide by the range of organisations we are in contact with, and through our digital channels and social media activity we are engaging with an international audience too. However while we work with charities and funders all over the UK, including in Northern Ireland, we can be viewed as a ‘London-centric’ organisation—and so we need to consider more opportunities to work with those outside the capital and ensure our messages have resonance in local contexts.
- **Reputation:** we have built an excellent reputation in many key areas and clients are often referred to us via word of mouth which is a great accolade. We need to consider how best we add value via our reputation and expertise and how to capitalise on these recommendations to further our reach.
- **Content:** we have had feedback that our research and guidance helps strengthen people’s case for change within their organisations—so we are influencing more organisations than just those we provide with direct consulting. Our older publications are also still proving valuable and are often a route for audiences to engage with us, so we should consider how best to use and publicise our ‘evergreen’ content.
- **Strategy and leadership:** these are essential for organisations to become impact driven. Charities need support to develop an effective strategy and get buy-in from staff to implement this, so we need to continue to work at this senior level to effect change. Also linked to this is the role of leadership—this has to be right for the strategy to be implemented and for impact practices to move forward. We will continue to consider how best we can support the leadership and governance needs within the sector.
- **Role of funders:** we know that funders are increasingly interested in measuring their own impact, as well as that of their grantees, but the reality can be complicated. Often a theory of change or outcomes framework approach doesn’t quite work due to funders’ diverse portfolios of causes, projects and organisations. We will be considering next year what tools the sector could use to overcome this challenge.
- **Data and transparency:** these two issues pose both a challenge and an opportunity for the charity sector. The opening up of data and so called ‘data revolution’ provide significant potential—from understanding needs or issues to improving effectiveness of services to understanding results and impact. However, despite some momentum, there are a number of barriers on both the demand and supply side that are affecting how well charities are accessing and using data—our Data Labs project aims to tackle some of these issues. Transparency has also been a key topic of debate over the last year—it affects how the public view charities and we know any reduction in trust could have an impact on funding and volunteering. We have been encouraging charities to be transparent about their spending and be accountable for their impact, but appreciate there are some risks and challenges around this. There is no simple solution to respond to attacks on the sector, but we plan to research this further next year as it is not an issue that is going to go away.

REPORTING AGAINST LAST YEAR'S PLANS

In last year's annual report, we set out broadly what we wanted to achieve in the coming year. Here, we show how we have progressed against those plans. We focus on the aims of NPC as a whole, as this is more useful for assessing our success in working towards our vision for the charity sector.

Plan		Progress in 2013-2014
Consulting	Be recognised as the leader in consulting advice for charitable funders	<p>We have continued to develop our offer for charitable funders—working directly with 18 funder clients over the last year and deepening our relationship with a number of key clients.</p> <p>Our reputation in this space has grown: more clients have approached us directly and we have worked with them at a more strategic level. We estimate we have influenced the spend of at least £22m through our advice to funders.</p>
	Establish NPC as a leading charity strategy consultant	We have worked with 27 charity clients over the last year, including 8 national charities. We have continued to grow our strategy offer, often incorporating our theory of change work into a wider strategic review.
	Improve our approach to measurement and evaluation	<p>We have worked with 21 clients on measurement work over the last year, and this includes both charities and funders.</p> <p>We conducted research into how funders measure impact and also released our Four Pillars approach to impact measurement for charities.</p> <p>We also finalised and published our own theory of change and continued to develop our measurement framework around this.</p>
Think tank	Achieving scale	We have progressed our research exploring how charities and social enterprises can scale up their work and plan to publish this soon—along with an event to discuss the practicalities further.
	Pioneering shared measurement	<p>We have continued to work with clients on shared measurement and collective impact projects and have shared insights from these via our blogs and at conferences and events.</p> <p>We have also continued our work on the Inspiring Impact shared measurement strand, developing a practical guide to help organisations implement our Journey to Employment (JET) framework for the youth unemployment sector, working with a number of pilot organisations to put this into practice and then launching an updated version of the JET framework alongside case studies of the pilots to share learning.</p>

Improving commissioning	<p>We responded to the Department for Work & Pensions' Commissioning Strategy consultation and held an event discussing how the NHS commissioning changes are working for charities. We also held a roundtable to discuss the future of the voluntary sector in public services, and we will be releasing a publication to highlight the issues discussed.</p> <p>Our research for the Cultural Commissioning Programme—a three year programme funded by Arts Council England which explored the experience of arts and cultural organisations in public sector commissioning—has given us further insights into the issues and challenges.</p>
Supporting funder collaboration	<p>Collaboration has been a key theme of our discussions in the sector over the last year as we have been scoping out how we can support and encourage funders. We held an event to bring together a wide group to debate how we can take this forward and overcome some of the barriers.</p>
Focusing on the ageing population	<p>Through our Commission on the Voluntary Sector & Ageing we have conducted research on the ageing population and released a discussion paper highlighting how this could affect the charity sector. The commissioners—including Dan Corry—have attended a range of meetings and events to raise the profile of this issue and encourage charities and funders to consider strategically how to respond.</p>
Understanding donors' motivations and behaviours	<p>We have now completed phase 2 of our Money for Good UK project: developing and publishing a tool for allocating donors to segments and supporting charities to pilot this, and publishing a collection of essays from organisations and individuals who have been most engaged with the research to share further how the research can be used in the future.</p>
Exploring social investment	<p>As well as continuing to support charities through strategic advice and our training sessions, we have also worked more with funders this year. We published our evaluation of the Allia social impact bond and produced guidance to help funders think through the benefits and risks of social investment, and how to decide if it is for them. We have also been working with the Heritage Lottery Fund to understand the heritage sector's interest in, and access to, non-grant sources of finance, and the attitudes of potential social investors.</p> <p>We held a roundtable in April to examine the evolution of SIBs from a providers' perspective, bringing together sector experts and a variety of charities. Following this we released a paper summarising the lessons learnt and future opportunities.</p> <p>We are also involved in the G8 Social Impact Investment Taskforce, co-chairing a working group on impact measurement.</p>

Communications	Consolidate our digital marketing strategy	<p>We have continued to develop our website, email marketing and social media channels to engage with our audiences and showcase our work. We have developed our systems internally to better manage our digital output and have also used more multimedia content such as images and videos using Vine and Storify.</p> <p>We have also supported our NPC colleagues to engage with social media, running training sessions for staff and offering help and guidance.</p>
	Build our reputation for excellent events that inform and inspire	<p>We have continued to host a variety of both free and paid for events, with an expanded programme and increase in the number of delegates. In particular we held successful large scale conferences with commercial partners Haymarket (publishers of Third Sector magazine) and the Charity Finance Group (CFG).</p>
	Increase the quality and quantity of media coverage	<p>We have achieved this by broadening the pool of spokespeople via in-house media training and integrating our media messages better with our social media and digital output. We have expanded regular columns eg, <i>Spear's magazine</i>, and have also achieved substantial media coverage in national press eg, <i>Observer</i>.</p>
	Keep developing our new branding	<p>We have continued to support colleagues to consistently implement our brand and have developed tools and process to help eg, induction sessions, written guide for each member of staff and training on writing.</p>

PLANS FOR NEXT YEAR

Outlined below are some of the main activities we are planning in our consulting, think tank and communications work for the financial year 2014–2015 to achieve our mission of transforming the charity sector.

1. Consulting

As part of NPC's three year strategy, the research and consulting team will continue to work towards the following three aims—providing services directly to charities and funders to increase their effectiveness and producing publications and guidance to share our thinking and support the sector further.

- Be recognised as the leader in consulting advice for charitable funders, including publishing guidance on how funders can establish and use the theory of change approach.
- Establish NPC as a leading charity strategy consultant, including publishing guidance on developing charity strategy and how impact- measurement practices can be used to drive strategy.
- Improve our measurement framework services and increase the impact of those services across the sector, including a continued focus on shared measurement approaches and the Journey to Employment (JET) framework in particular.

2. Think tank

We have ambitious plans over the next year for our think tank and strategic policy work, particularly in the run-up to the general election. We plan to strengthen our team to build further momentum and work more closely with philanthropists who believe in our vision and can help us to explore ways of tackling the charity sector's major challenges.

Key issues we will be focusing on include:

- Scaling-up
- Public trust in charities
- Digital disruption
- Faith and charities
- Role of charities in health
- Social investment
- Leadership for impact
- Innovations in philanthropy
- Public sector commissioning
- Campaigning
- Funder collaboration
- Beneficiary voice
- Power dynamics in the sector

We will also continue our work on the following strategic projects:

- Commission on the Voluntary Sector & Ageing
- Data Labs
- Inspiring Impact

3. Communications

In the coming year, the communications team will focus on:

- Continuing to stimulate debate through our communications channels: using our events and social media to engage NPC's audiences on the issues of the day.
- Continuing to refine our digital strategy: including ongoing development of NPC's website, as well as updating microsites such as for the Commission on the Voluntary Sector & Ageing, building internal capacity and freelance support to produce more infographics on a regular basis and continuing to implement and use scheduling tools.
- Increasing the quality and quantity of media coverage: by widening the pool of spokespeople, working to build links with broadcasters especially, and establishing ourselves as commentator on key sector issues.
- Ongoing collaboration with the consulting and development teams to recruit clients and supporters and build NPC's income streams: including producing updated marketing materials and targeted direct mail, helping to deliver client projects and through our events programme.
- Continuing to develop our new branding: ensuring brand consistency and development, including the provision of training and by updating guidelines/templates.

Delivering public benefit

In reviewing NPC's aims and planning future activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Our vision and mission show that NPC is committed to helping charities and funders to achieve a greater impact. Our beneficiaries are therefore anyone helped by charities and funders—that is, the public at large.

All our activities contribute to our strategic aims and are for the benefit of the public. This report has set out NPC's activities and achievements, and illustrates how they benefit charities and funders. By helping charities and funders to achieve a greater impact, we ultimately help the people that these charities and funders serve.

FINANCIAL REVIEW

The Statement of Financial Activities for the year to 30 June 2014 is set out on page 31 of this report.

Financial activities

Total incoming resources for the year amounted to £2,604,754 (2013 £2,069,700), an increase of 26%.

Revenue from our consulting and think tank work totalled £1,921,805 (2013 £1,164,692) an increase of 65%. However, the 2013 comparative did not include £411,000 of work delivered in that year but funded by grants which were included in 2012 revenue. If we adjust for this to achieve a more realistic comparison, the increase year on year becomes 22%.

We received donations of £235,000 (2013 £500,000) from our trustees. Trustees' funding accounted for 9% of revenue in the year to 30 June 2014 compared with 24% in the year previously, reflecting our aim of reducing our dependence on trustee funding by increasing and diversifying our external revenue sources.

This was the second year of our Supporters' Circle from which we received revenues of £167,500 (2013 £120,000), an increase of 40%. Unrestricted grants fell by 27% to £120,000 (2013 £165,101). The decline is due to the phasing out of the Office for Civil Society strategic partnership programme as part of which NPC received a grant of £45,000 from ACEVO.

Revenue from our communications activities, which includes training, events and delivery of communications work on consulting projects, grew by 64% to £131,797 (2013 £80,555). Most of the growth came from communications work on consulting projects.

We received £24,985 (2013 £36,479) of revenue from special projects all of which came from the sale of subscriptions to the online Well-being Measure and associated consulting work.

Total resources expended in the year were £2,561,426 (2013 £2,274,114). Excluding incremental costs of £441,091 (2013 £215,638) specifically related to large projects, and committed to as part of our work on those projects, our core costs were £2,120,335 (2013 £2,058,476) an increase of 3%. The major part of our core expenditure remains employee costs. Premises and technology costs are the next most significant component.

Funding

During the year, NPC's main sources of funding were fees for consulting work, grants for think tank projects from foundations and individuals, unrestricted grants from foundations to fund our core activities, attendance fees for events and training and donations from our trustees and other individuals, including members of the Supporters' Circle.

Investment policy

In accordance with the Memorandum of Association, the trustees have the power to invest the charity's funds not immediately required in any investments, securities or property and to delegate the management of investments to a financial expert. During the year, cash balances were insufficient to be invested and, when appropriate, funds were held in deposit accounts to combine optimum interest rates with the required accessibility of funds.

Grant-making policy

NPC does not invite applications for grants. All grants made in the year were to co-participants in grant funded projects.

Reserves policy and unrestricted funds

The trustees believe that, in the light of NPC's emphasis on generating fee and grant income, its committed income should be considered alongside its unrestricted reserves when considering the adequacy of its reserves. The trustees' aim is that the total of NPC's unrestricted reserves and committed income should cover at least 50% of its planned activities in the year ahead.

At 30 June 2014 NPC had unrestricted reserves of £720,275 (2013 £683,853), and £605,000 (2013 £640,000) of committed fee and unrestricted grant income. We expect average monthly expenditure in the year to 30 June 2014 to be £198,000 (2013 £174,000). The total of £1,325,275 (2013 £1,323,853) of unrestricted reserves and committed donations and fees will therefore cover more than six months of budgeted expenditure.

If reserve adequacy were to be calculated according to the methodology described in NPC's *The little blue book*, total reserves at 30 June 2014 of £853,294 (2013 £809,966) represent four months' spending.

The trustees are confident that NPC has sufficient reserves and committed income to adequately fund its planned activities.

Our approach to pay

As the leading think tank and consultancy for the charity sector, we aim to attract staff from the not-for-profit sector as well as the public and private sector—and to pay our people accordingly. NPC's remuneration process is as follows:

- The board is responsible for setting the CEO salary.
- The CEO sets the salaries of the Senior Management Team.
- The Senior Management Team, in conjunction with NPC's HR consultant, sets all other salaries.
- Pay is reviewed regularly and at least annually.

In setting salaries, the board, CEO and management team take into account the following principles:

- Recruitment and retention: for NPC to achieve its mission and financial sustainability, we require high calibre staff with a range of skills and disciplines. Remuneration packages take account of the market rates for comparable jobs in relevant markets.
- Affordability: the impact on NPC's financial health and overall business plan is always taken into account.
- Performance: performance targets and objectives are assessed through the annual appraisal process and taken into account in remuneration where it is relevant
- Proportionality: the ratio of lowest to highest salary is monitored. As far as it makes business sense, we strive for parity across the organisation so that employees at comparable levels in different teams receive similar pay.
- Transparency: NPC follows SORP guidelines and lists in the annual report the number of staff earning £60,000 and above (in bands of £10,000)—see page 40. This information and our approach to pay is also publicly available on our website.
- Living wage: NPC aims to be a Living Wage employer and does not hire unpaid interns.

The same benefits, including pensions, that apply to the chief executive and senior staff, are available to all other staff.

Trading subsidiary

The charity has a wholly-owned trading subsidiary, NPC Trading Limited. The company did not trade during the year ended 30 June 2014.

Auditor

Sayer Vincent LLP was re-appointed as the charity's auditor during the year, and has expressed its willingness to continue in that capacity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NPC is a charitable company limited by guarantee. Each of its trustees has agreed to contribute up to £1 towards the assets of the company in the event of its being wound up. The organisation was incorporated on 2 July 2001 and registered as a charity on 27 March 2002.

Trustees

Members of the board of trustees are the directors of the company. The trustees are responsible for establishing clear strategic goals for NPC. These goals, together with performance targets, are established annually, and the chief executive reports on them at trustee meetings. According to their skills, experience and interests, trustees take responsibility for one or more areas of activity, which may include being appointed to a committee.

Induction and training

On appointment, each trustee completes a register of interests, which is renewed annually. New trustees receive a job description and participate in an induction programme, which includes meeting the chair, chief executive, members of the management team and staff. When new trustees are recruited, their training needs are assessed and met as necessary.

Statement of responsibilities of the trustees

The trustees (who are also directors of New Philanthropy Capital 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Management and staff

While the trustees are responsible for establishing NPC's strategic goals, day-to-day activities are directed by the management team, led by the chief executive, Dan Corry. The chief executive is responsible for developing strategies, products and services within overall guidelines and policies set by the trustees. He is responsible for representing NPC externally and for ensuring that NPC's values are communicated and observed. He is also responsible for the recruitment, training and development of the management team.

The management team consists of the chief executive, the chief operating officer, the director of research and consulting, the communications director, the head of development, the head of projects and the HR consultant.

At 30 June 2014, NPC had 38 permanent employees, of whom 8 worked part-time (less than 30 hours a week), giving a full-time equivalent workforce of 34.

Risks

NPC has a risk management process in place to enable the trustees and management to assess the risks facing the organisation and to devise and implement strategies and controls to mitigate or address these risks.

A comprehensive risk register is maintained. The register is reviewed regularly by the chairman and senior management team and annually by the trustees.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees, and signed on their behalf by

Richard Atterbury

Chair

9 December 2014

REFERENCE AND ADMINISTRATIVE DETAILS

Charity registration number 1091450

Company registration number 4244715

Trustees Richard Atterbury (Chair)
Fraser Hardie
Rishi Khosla
Peter Mallinson (resigned 31 December 2013)
Harvey McGrath
Marcelle Speller (appointed 9 September 2014)
John Stares
Baroness Deborah Stedman-Scott
Peter Wheeler

Chief executive Dan Corry

Chief operating officer and company secretary Jocelyn James

Registered office 185 Park Street, London SE1 9BL

Auditors Sayer Vincent LLP
8 Angel Gate, City Road, London EC1V 2SJ

Bankers NatWest, Charing Cross Business Centre,
3rd Floor, Cavell House
London, WC2H 0NN

Solicitors Bates, Wells & Braithwaite
2–6 Cannon Street
London, EC4M 6YH

FINANCIAL STATEMENTS

Independent auditors' report to the members of New Philanthropy Capital

We have audited the financial statements of New Philanthropy Capital for the year ended 30 June 2014, which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Joanna Pittman
Senior Statutory Auditor
For and on behalf of Sayer Vincent LLP, Statutory Auditors
8 Angel Gate
City Road
London
EC1V 2SJ

11 March 2015

New Philanthropy Capital

Statement of Financial Activities

(Incorporating an Income and Expenditure Account) For the year ended 30 June 2014

	Notes	Unrestricted Funds £	Restricted Funds £	2014 Total £	2013 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	522,500	-	522,500	785,101
Investment income	3	2,154	-	2,154	923
Incoming resources from charitable activities					
Consulting	4	1,095,384	127,595	1,222,979	955,088
Think tank	4		698,826	698,826	209,604
Communications	4	88,167	43,630	131,797	80,555
Special projects	5	24,985		24,985	36,479
Other incoming resources		1,513		1,513	1,950
Total incoming resources		<u>1,734,703</u>	<u>870,051</u>	<u>2,604,754</u>	<u>2,069,700</u>
RESOURCES EXPENDED					
Cost of generating funds		85,986		85,986	57,558
Charitable activities					
Consulting		930,216	57,350	987,566	920,007
Think tank		231,704	769,200	1,000,904	685,216
Communications		365,538	26,595	392,133	442,217
Special projects		43,250	-	43,250	117,060
Governance costs		51,587		51,587	52,056
Total resources expended	6	<u>1,708,281</u>	<u>853,145</u>	<u>2,561,426</u>	<u>2,274,114</u>
Transfer		10,000	(10,000)	-	-
Net (expenditure)/income for the year and net movement in funds		<u>36,422</u>	<u>6,906</u>	<u>43,328</u>	<u>(204,414)</u>
Balance brought forward at 1 July		<u>683,853</u>	<u>126,113</u>	<u>809,966</u>	<u>1,014,380</u>
Balance carried forward at 30 June		<u>720,275</u>	<u>133,019</u>	<u>853,294</u>	<u>809,966</u>

All of the above results are derived from continuing activities; all gains and losses recognised in the year are included above. The notes on pages 33 to 43 form part of these financial statements.

New Philanthropy Capital

Balance Sheet

As at 30 June 2014

	Notes	2014 £	2013 £
Tangible fixed assets			
Investments	13	1	1
Current assets			
Debtors and prepayments	14	467,674	326,539
Cash at bank and in hand	15	555,170	766,643
		<u>1,022,844</u>	<u>1,093,182</u>
Current liabilities			
Creditors: amounts falling due within one year	16	<u>(169,551)</u>	<u>(283,217)</u>
Net current assets		853,293	809,965
Net assets		<u>853,294</u>	<u>809,966</u>
Funds			
Unrestricted funds		720,275	683,853
Restricted funds		133,019	126,113
Total funds		<u>853,294</u>	<u>809,966</u>

The notes on pages 33 to 43 form part of these financial statements.

The financial statements were approved by the trustees on 9 December 2014 and signed on their behalf by:

Richard Atterbury
Chair

Company No: 4244715

New Philanthropy Capital

Notes forming part of the financial statements

For the year ended 30 June 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the financial statements.

a. Basis of preparation

The financial statements have been prepared under the historical cost convention (except for investments which are included at revalued amounts) and have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', published in March 2005, applicable accounting standards and the Companies Act 2006.

b. Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is reasonably certain that the income will be received and the amount can be quantified with reasonable accuracy.

Donations are recognised when received. Legacies and gifts are taken into account on a receivable basis, but only when capable of exact financial measurement.

Consulting fees are charged for research projects, provision of training and provision of information. These fees are recognised when receivable. Fees are receivable when the consultancy service has been provided by NPC. Where there is uncertainty as to whether the charity can meet such conditions, the incoming resource is deferred.

Grants are received to carry out research activities. These grants are recognised as income when they become receivable. Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions, the incoming resource is deferred.

c. Grant making

Grants payable are classified as charitable expenditure.

Grants payable are charged in the year that they are agreed by the trustees and with the recipient organisation. The value of any such grants unpaid at the year end is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

d. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Resources expended are 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:

Cost of generating funds	12%
Think tank	27%
Consulting	31%
Communications	18%
Governance costs	10%
Special projects	2%

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Irrecoverable VAT is apportioned on the same basis as central costs.

e. Costs of generating funds

Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

f. Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Computer equipment:	over 3 years
Furniture and fixtures:	over 5 years
Office equipment:	over 5 years

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

g. Fund accounting

Funds held by the charity are either:

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted funds - these are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

h. Pension

The charity operates a defined contribution pension scheme through Aegon Scottish Equitable for all employees completing six months' service. Membership of the scheme is not compulsory. Pension costs charged to the SOFA represent the contributions payable by the charity in the year.

i. Leases

Operating lease rentals are charged to the SOFA on a straight-line basis over the period of the lease.

j. Taxation

The charity is exempt from taxation on its charitable activities.

2. Voluntary income

	2014	2013
	£	£
Donations from or on behalf of trustees	235,000	500,000
Other donations	-	5,101
Supporters' Circle	167,500	120,000
Grants for core funding:		
Oak Foundation	100,000	100,000
ACEVO	-	45,000
Tuixen Foundation	20,000	15,000
Total	522,500	785,101

3. Investment income

Investment income consists of bank interest and interest receivable from short-term deposits.

4. Restricted revenue

		2014	2013
			£
Think Tank			
<i>Data Lab</i>	Oak Foundation	69,525	109,804
<i>Capacity Building</i>	National Offender Management Service	148,492	50,000
<i>Collaboration for Impact</i>	Impetus	-	24,800
<i>Commission for Ageing and the Voluntary Sector</i>	Big	123,290	-
	Prudential	30,000	-
<i>Money for Good 2</i>	Gates Foundation	16,185	-
	Unity Trust Bank	5,000	-
<i>Social Impact Bond—Round Table</i>	Baker Tilly	3,000	-
	Bates Wells	3,000	-
<i>G8 Task Force</i>	Cabinet Office	50,000	-
<i>Funder Impact</i>	Barings	5,000	-
	London Benchmarking Group	5,000	-
	City Bridge Trust	5,000	-
	Northern Rock	-	5,000
	Trust for London	-	5,000
<i>Social Impact for Funders</i>	Golden Bottle Trust	-	10,000
<i>Inspiring Impact</i>	Barrow Cadbury Trust	5,000	5,000
	Hewlett	20,334	-
	Cabinet Office	80,000	-
	Big Lottery Fund	80,000	-
	Calouste Gulbenkian	10,000	-
	Children in Need	10,000	-
	Paul Hamlyn	10,000	-
	Nominet	10,000	-
	Northern Rock Foundation	10,000	-
	The Diana, Princess of Wales Memorial Fund	-	-
Total Think Tank		698,826	209,604

4. Restricted revenue (continued)**Consulting**

<i>Visual Impairment</i>	The Clothworkers' Foundation	1,400	36,000
<i>Future for Children Bond</i>	Allia Ltd	-	20,000
<i>Creative Commissioning</i>	NCVO	86,655	-
<i>Journey to Employment in Northern Ireland</i>	Building Change Trust	13,840	-
<i>Improving Evidence in Criminal Justice</i>	Clinks	13,950	-
<i>Trusteeship</i>	The Clothworkers' Foundation	11,750	18,350
Total consulting		127,595	74,350
Communications			
<i>Inspiring Impact</i>	Hewlett Foundation	10,275	-
<i>Commission for Ageing and the Voluntary Sector</i>	Big	19,600	-
	Prudential	5,000	-
<i>Creative Commissioning</i>	NCVO	1,905	-
<i>Data Lab</i>	Oak Foundation	6,850	-
Total Communications		43,630	-
Total restricted revenue		870,051	283,954

5. Special projects

	2014	2013
	£	£
Unrestricted revenue		
<i>Well-being project</i>		
Product fees	19,760	34,479
Consulting fees	5,225	2,000
Total special projects	24,985	36,479

6. Cost of charitable activities

	Think tank	Consulting	Communications	Special projects	Cost of generating funds	Governance costs	2014 Total	2013 Total
	£	£	£	£	£	£		£
Staff costs	546,116	725,824	297,474	17,097	69,243	33,187	1,688,941	1,608,306
Travel & subsistence	21,846	7,698	2,296	155	2,278	124	34,397	6,955
Recruitment & training	14,623	15,135	4,328	1,006	1,969	1,405	38,466	17,386
Consultants' fees	67,979	79,236	7,014	305	2,048	593	157,175	230,148
Subscriptions, publications & data sources	1,247	2,413	2,514	325	190	127	6,816	10,052
Printing & distribution	9,048	1,485	6,801	5	48	11	17,398	11,549
Premises	35,768	64,157	22,109	1,369	4,616	2,658	130,677	110,830
IT, telecoms & equipment	17,045	28,930	10,177	1,023	1,998	1,195	60,368	110,517
Legal costs	1,325	2,511	830	53	180	104	5,003	5,585
Marketing & PR	26,279	10,451	22,198	20,506	39	11	79,484	65,974
Accounting and payroll services	5,334	10,072	3,374	217	731	421	20,149	18,944
Audit fees	-	-	-	-	-	10,250	10,250	10,000
Irrecoverable VAT	8,743	16,509	5,530	356	1,199	690	33,027	26,704
Insurance	2,183	4,121	1,380	89	299	172	8,244	7,584
Office expenses & other	9,106	16,473	6,108	744	1,148	639	34,218	33,580
Grant-making (note 7)	234,262	2,551	-	-	-	-	236,813	-
Total project costs	1,000,904	987,566	392,133	43,250	85,986	51,587	2,561,426	2,274,114

7. Grant-making

Grants of £10,000 or over were made to the following organisations:

	2014	2013
	Total	Total
	£	£
UK		
Clinks	34,762	-
ILC-UK	26,000	-
Rockefeller Philanthropy Advisors	30,500	-
Substance	77,000	-
Charities Evaluation Services	16,000	-
Association of Charitable Foundations	13,000	-
NCVO	15,000	-
Evaluation Support Scotland	15,000	-
Grants < £10,000	9,551	-
Total grants	236,813	-

8. Net movement in funds for the year

This is stated after charging:

	2014	2013
	£	£
Auditors' remuneration		
Audit	10,250	9,000
Audit fees prior year	-	1,000

9. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2013 £nil) and no expenses were reimbursed to trustees (2013 £nil).

10. Staff costs

	2014	2013
		£
Wages and salaries	1,408,668	1,336,614
Social security costs	154,814	147,643
Pension costs	125,459	124,049
Total	1,688,941	1,608,306

The number of employees whose emoluments, as defined for taxation purposes, amounted to over £60,000 in the year was as follows:

	2014	2013
	No.	No.
£60,001–£70,000	3	1
£70,001–£80,000	1	2
£80,001–£90,000	-	-
£90,001–£100,000	-	-
£100,001–£110,000	1	-
£110,001–£120,000	-	1

The company made contributions totalling £38,863 (2013 £40,854) during the year to a defined contribution pension scheme with respect to these employees.

The average number of employees, calculated on a full-time basis, analysed by function was:

	2014	2013
	No.	No.
Consulting	14	13
Think tank	6	6
Development	2	-
Special projects	-	2
Communications & marketing	5	5
Executive, operations & strategy	6	5
Total	33	31

Think tank employees include a proportion of consulting staff who also delivered think tank projects.

11. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £125,459 (2013 £124,049). At 30 June 2014, contributions amounting to £11,917 (2013 £10,883) were payable to the scheme and are included in creditors.

12. Investments

The charity has an investment of £1 (2013 £1) in NPC Trading Ltd. An equivalent amount is shown in creditors.

13. Subsidiary company

The charity owns the whole of the issued ordinary share capital of NPC Trading Ltd. (Registered company number 4419576), which was incorporated and registered in England on 18 April 2003. The purpose of the subsidiary is to carry on business as a general commercial company to procure profits and gains for the purpose of paying them to New Philanthropy Capital (Registered company number 4244715) or any other charitable body that succeeds to its charitable purpose. The company was dormant throughout the year and has not been consolidated.

The aggregate of the assets, liabilities and funds of NPC Trading Ltd was as follows:

	2014	2013
	£	£
Net assets	1	1
Funds (represented by one share of £1)	1	1

14. Debtors and prepayments

	2014	2013
	£	£
Trade debtors	200,025	128,020
Prepayments	35,206	37,375
Fees receivable	177,666	88,471
Donations and grants receivable	52,340	70,000
Other debtors	2,437	2,673
	467,674	326,539

15. Cash at bank and in hand

	2014	2013
	£	£
Cash and bank deposit accounts	555,170	766,643

16. Creditors: amounts falling due within one year

	2014	2013
		£
Trade creditors	41,274	70,864
Taxation and social security	41,423	44,116
VAT	50,802	64,421
Pensions	11,917	10,883
Deferred income	12,548	78,408
Other creditors	2,087	5,560
Accruals	9,500	8,965
	169,551	283,217

17. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2014 are represented by:			
Investments	1	-	1
Current assets	889,825	133,019	1,022,844
Current liabilities	(169,551)	-	(169,551)
Total net assets	720,275	133,019	853,294

18. Restricted and unrestricted funds

The funds of the charity include restricted funds. These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.

	At the start of the year	Incoming resources	Outgoing resources	Transfer	At the end of the year
	£	£	£	£	£
Restricted funds					
Substance abuse	10,000	-	-	-	10,000
Impact measurement	10,900	-	10,900	-	-
Inspiring Impact	11,780	245,609	257,389	-	-
Visual impairment	36,000	1,400	37,400	-	-
Data lab	44,090	76,375	65,418	-	55,047
Capacity building	3,343	148,492	151,435	-	400
Commission	-	177,890	129,908	-	47,982
Money for Good 2	-	21,185	21,185	-	-
G8 task force	-	50,000	50,000	-	-
Social impact bond round table	-	6,000	6,000	-	-
Funder impact	-	15,000	15,000	-	-
Creative commissioning	-	88,560	88,560	-	-
JET	-	13,840	6,700	-	7,140
Improving evidence in criminal justice	-	13,950	1,500	-	12,450
Trusteeship	-	11,750	11,750	-	-
	116,113	870,051	853,145	-	133,019
Advisory donations	10,000	-	-	(10,000)	-
Total restricted funds	126,113	870,051	853,145	(10,000)	133,019
Total unrestricted funds	683,853	1,734,703	1,708,281	10,000	720,275
Total funds	809,966	2,604,754	2,561,426	-	853,294