



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018



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INTRODUCTION FROM THE CHAIR

It's been another exciting year at NPC as we work to make the charity sector more effective for the people and causes it serves. While this is an ambitious goal, we continue to work in many ways and at many levels to make it a reality. Operating as both a consultancy and a think tank, we work in collaboration with organisations that share our mission, and also as a bold, independent thought leader.

As always, the board and I are delighted to see this work pay off. Repeat clients comprised 50% of our consultancy work this year—a sign, we think, of how valuable they find our insight and expertise. In fact, 96% of those we asked said they were very or fairly likely to implement changes based on their work with us. It's a pleasure to see our work make a difference to such a range of organisations, including a household name like The Scout Association and impact investment pioneers the KL Felicitas Foundation—both discussed later in this report.

Our thought leadership continues to stimulate debate. We rekindled the topic of charity mergers, with all the nuance and rigour we are known for. And through our State of the Sector essays—on everything from digital to strength-based services—we shone a spotlight on bold approaches that challenge how change is made.

We've always believed that a greater use of evidence can turbo-charge the impact made by all the passion in the sector. So, this year, we also presented our vision for how to build a more evidence-led charity sector. We will work hard to keep building momentum around this subject.

For all our talk about impact and strategy, we know it isn't easy. We try to practise what we preach, and, like everyone in the sector, we know we can always do better. This year, we embarked on a more in-depth survey of our impact, refreshed our theory of change, and began the process of updating our strategy.

We've also started thinking about how our impact can be strengthened through better communications, setting out to make our website more user-friendly, so we can reach more people who need support. We are also focused on ensuring diversity, both at staff and board level.

I have thoroughly enjoyed my six years as chair, but part of what we preach is the importance of renewal and positive change. I think that now is a good time to act upon this and to introduce a fresh insight. As I hope this report shows, I leave the organisation in a good place for my successor: with a lot achieved, but with plenty more still to do. It only remains for me to thank NPC's past and present board members, staff, and supporters for all their incredible work and commitment.



Richard Atterbury

INTRODUCTION FROM THE CHIEF EXECUTIVE

The point of NPC is to both help and cajole the charity sector to do as much social good as it can. Persuading a sector driven by passion and instinct of the uses of analysis, evidence, and evaluation isn't always easy. So, we try to keep a sense of proportion, and to carry out our work with understanding as well as good humour.

But we don't mind being challenging if that is what it takes.

We never shy away from addressing the big issues—not just within the charity sector, but in wider society. There's no doubt 2017/2018 saw tremendous difficulties. Charities have been at the front line of a decade of austerity and its consequences, not to mention the uncertainty and societal divisions brought to the fore by the Brexit debate.

In the past year, we explored ways to equip charities to face these challenges. Our [Flipping the narrative](#) collection—part of our [State of the Sector](#) programme—looked at some of the creative approaches charities and funders are taking in these turbulent times. Meanwhile, our place-based project began to focus on how the voluntary sector can work with cash-strapped local councils to build social capital and togetherness. With [More than grants](#), we proposed an ambitious role for our country's independent funders. And our work with the [Transition Advice Fund \(TAF\)](#) has considered how civil society can help to ensure that 3 million EU citizens receive their proper status post-Brexit.

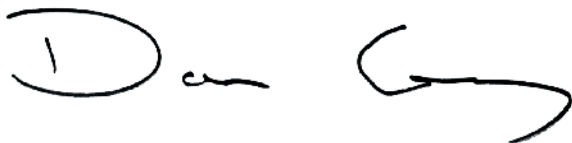
The big challenges are not just about charities surviving but about the type of society we want to be. The charity sector should be ambitious in the face of these challenges; our thinking on [systems change](#) and [user voice](#) speak to that. This ambition can extend to trying to change the rules of the game, as [our work on a more community-focused economy](#) for the Friends Provident Foundation shows.

We also want to make sure that disruptive changes to global systems live up to their claim to be working for more ethical, socially-minded markets. So we've developed [frameworks for impact investors](#) to help ensure this field is genuinely socially useful. And we have several programmes trying to make sure digital and data are used for social good, including [our work with young people in Camden](#).

In true NPC style, we know evidence is a crucial tool for making sure these efforts pay off, so we will keep pushing for an evidence-led charity sector. In the past year, we made some of our messages on evidence and evaluation easier for smaller charities and funders to understand and use, while at the same time making our work in other areas more sophisticated.

We also worked through some challenges of our own to ensure we are equipped for our ambitious task. In addition to tightening up our practices in accordance with GDPR, we implemented a new IT system, and attained London Living Wage status. We also geared up to launch a new, much more user-friendly website, and to move to new offices, both of which took place in the first quarter of 2018/2019.

The NPC team is strong, committed, and eager. I am very grateful for all the support they give me. Many thanks also to my board, and especially my Chair, Richard, for supporting us, challenging us, and enjoying our mission along with us.

A handwritten signature in black ink, appearing to read 'Dan Corry'.

Dan Corry

ABOUT NPC (NEW PHILANTHROPY CAPITAL)

Transforming the charity sector

NPC is a consultancy and think tank dedicated to helping the charity sector achieve the greatest possible impact for the causes it addresses and the people it serves.

Charities and funders play a critical role in solving the problems facing society today. In these difficult economic times, the charity sector is more important than ever. So too is the vital role of an analytical and independent organisation like NPC. We inject fresh thinking and pioneer new approaches in the charity and non-profit sector, so it can respond as effectively as possible.

We work hard to harness the passion and commitment of the sector in order to help it become more successful.

Our vision

Our vision is for a charity sector that makes the most of its resources to improve more lives and achieve the greatest possible impact.

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 about what works, and what doesn't. The sector also has the infrastructure and policies in place to help maximise its impact.

Our mission

1. To improve the efficiency and effective use of resources for charitable purposes by evaluating the governance of particular charities, or a range of charities, and the impact of their activities.
2. To advance all exclusively charitable purposes under English law.

Our mission is to transform the charity sector. We work at the individual organisation level, the sector level, and the wider policy and infrastructure level to ensure that the efforts of social purpose organisations—funders, charities, social enterprises, and beyond—can be maximised for good.

Increase the impact of charitable organisations: We want to make charities, funders, and philanthropists more successful in achieving their missions. Our team of experts works directly with individuals and organisations to improve the impact they have on their chosen causes. We publish free research, insights, and resources on topics like theory of change and impact measurement, so as many as possible can benefit.

Build a more effective charity sector: We want to challenge, inspire, and help the charity sector do the best it can. We bring our research, insights and expertise to the key issues it faces, highlight best practice, and bring people together to find solutions.

Create the conditions for impact: We want to ensure the charity sector's wider operating environment enables it to achieve change. We work to steer government policy and regulation that affects charities' and funders' ability to make a difference. We work to improve funding practices, and we push for better infrastructure for everything from digital and data, to impact practice and social investment.

Our activities

Our team of charity experts provides direct support to individuals and organisations to improve the difference they make. As we go, we uncover issues affecting these organisations—issues that come from within the charity sector itself, and those that stem from the wider operating environment. So we seek solutions through research and commentary, collaboration and policy change.

NPC's dual role as a consultancy and a think tank means we are ideally placed to understand and influence the sector, and, ultimately, transform it.

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

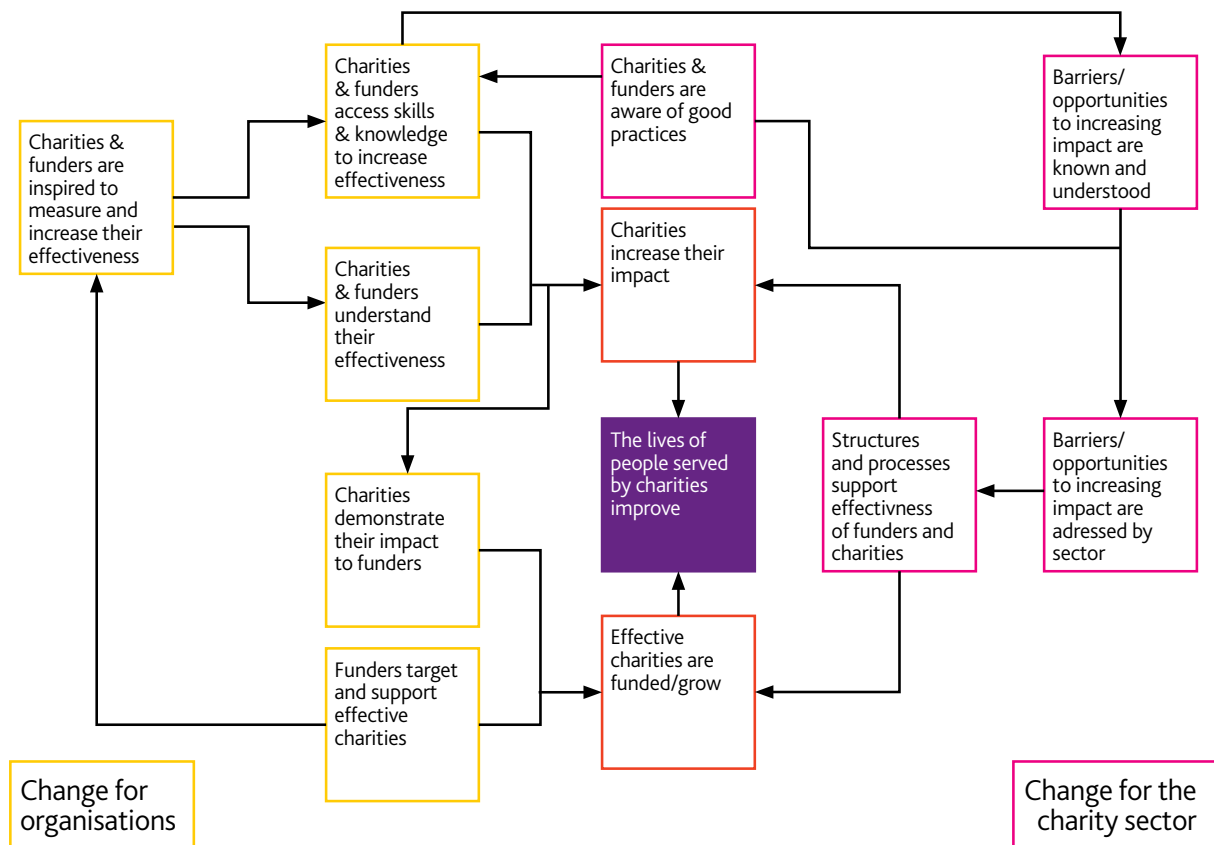
As the independent **think tank** for the charity sector, we shine a spotlight on issues that are holding the sector back, and develop solutions to overcome them. We inspire new thinking and catalyse change in practice and in policy, so that the whole sector can achieve greater impact. We also make connections, bringing together organisations from different areas to develop shared thinking and approaches.

Our communications work supports these dual activities, ensuring that NPC's work reaches as many people as possible for the greatest impact.

Our theory of change

As articulated in our theory of change, our vision of a transformed charity sector is driven by our passion to improve the lives of the people charities serve. We target change at two levels: change within **individual or small groups** of charities and funders; and change in many organisations **across the sector**.

This theory of change is at the heart of NPC's approach to measuring our impact. To track our impact, we collect and analyse data on the direct and indirect outcomes it identifies, as well as our outputs. This data is gathered from a range of sources, including client and other stakeholder surveys, feedback forms from our event attendees, and digital analytics tools. You can read more about these results in the following pages.



ACTIVITIES AND ACHIEVEMENTS

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

Consulting

Our research and consulting team works directly with charities and funders to provide them with independent advice, so they can become more effective.

Think tank

Our think tank work pioneers solutions and provides an independent voice on issues affecting charities and funders.

Communications

Our communications activities enable us to disseminate our research and share our perspectives, as well as to convene and stimulate debate in the sector.

Consulting

2017/2018 saw a general tightening of market conditions, which coincided with people pausing to process the overall uncertainty and disruption we saw in the political and social landscape of the UK. None the less, we worked with **79** research and consulting clients, including charities, trusts and foundations, philanthropists, businesses, and government. They ranged from household names like the British Heart Foundation and Versus Arthritis, to much smaller organisations and private donors.

This work included developing theories of change and impact measurement approaches for both charities and funders, and providing strategic advice and operational support to grant-makers. We also delivered **37** public training workshops. Through these we reached **1,800** people from charities and funders of different shapes and sizes, covering topics such as developing a theory of change and working with data.

As a mission-aligned consultancy, we have maintained a focus on work that we believe will support our clients to create impact. One part of this involves developing new relationships with those individuals and organisations that we believe have the potential and the vision to deliver better outcomes. The other part requires working with existing clients over a number of years (our repeat business remained strong again this year at over **50%**) to support them on a longer-term journey.

We seek to understand and demonstrate the impact of these activities by surveying our clients after our projects have been completed, asking our delegates to complete feedback forms at events, and through individual case studies. We combine this information with internal project reviews to grasp what we can learn about how we operate and how we deliver impact.

We aim to survey all our clients about the quality of our work. This data below comes from the last three years of our client survey, with an overall response rate of **35%**. We aim to improve this over the next year. It is important for us to better measure our impact to ensure that we practice what we preach, while also learning and improving.

Over the past three years, a few consistent patterns emerged:

Clients who responded to our survey rated us:

8.7 out of ten for 'quality of outputs'

8.9 out of ten for 'relationship management'

8.6 out of ten for 'project management'

76% of clients who responded to our survey said they were 'very likely' to make changes as a result of our work, and a further **19%** said they were fairly likely to.

99% of clients who responded to the survey said they would be positive about NPC.

We are now exploring ways to evolve and improve our understanding of how we create impact. As well as refining some of the questions in the survey, we want to increase the response rate, which has remained at approximately **35%** in each of the past three years, and to follow up with clients after a certain period of time to check on their progress. We will also be exploring ways to extend how we measure and learn about our impact more broadly.

Beyond our core consultancy work, we have produced commissioned research on a range of exciting projects, including the role charities play in tackling the social determinants of ill health—a project with the Health Foundation and the Institute of Health Equity—and how theory of change can be used for systems change.

Collaborating with others is a vital route to achieving our mission. We partner on Inspiring Impact, the Impact Management Programme, and the Youth Investment Fund Learning programme, all of which provide impact infrastructure and support, and encourage organisations to share insights with one another to help them improve their impact practice. This work is helping to expand our reach and maximise our impact, particularly among small charities and community organisations outside London.

Friends Provident Foundation, Evaluation of Building Resilient Economies programme



Friends Provident Foundation is an independent charity that makes grants and uses its endowment towards a fair, resilient, and sustainable economic system.

Based in York, the Foundation funds, invests, and connects organisations across the UK to shape an economy that works for everyone. The Foundation commissioned us to evaluate the impact of its five-year Building Resilient Economies programme and its Foundation-wide activities.

We assessed the collective impact of the Building Resilient Economies programme—which provided £8m of funding from 2013 to 2018—in meeting the Foundation’s aims of creating local economic resilience as well as wider systems change.

Our project team developed a theory of change with the Foundation to identify how its work contributes to the goal of a fair, resilient, and sustainable economic system in the UK. It was a valuable opportunity for us to draw on our *Thinking big* work on systems change and theory of change to explore what the Foundation’s systems change approach looks like in practice.

This formed the basis of our evaluation of the Foundation’s impact on: their grantees and investees; changing the attitudes and behaviours of influencers; and supporting communities to build a fairer economic system.

Our evaluation incorporated a 360 review in order to get a sense of the Foundation’s impact from the perspective of everyone involved, including staff, grant holders, investees, trustees, and peer funders. We examined the Foundation’s existing and past grant making, its impact investing and investment engagement through its mainstream investment portfolio, as well as its wider convening, connecting, and communications activities. We also incorporated the views of “bellwethers” outside the Foundation’s network to sense-check its focus areas and deepen its understanding of the context for its work.

In July 2018, we presented our findings to the Foundation’s trustees, also sharing the final evaluation report at the Foundation’s grant-holder conference in October 2018. The Foundation is now using the findings from the evaluation to inform the next phase of its grant-making and investment programme, as well as its future organisational strategy.

‘The evaluation process led by NPC engaged trustees, staff, those we fund, and our other partners in the process of considering our theory of change, what has been achieved, and what more there is to be done. It has been immensely useful, provided real challenge, and has inspired us to consider how to develop meaningful outcomes for the future.’

Danielle Walker Palmour, Director, Friends Provident Foundation

The Scout Association



NPC has had a relationship with The Scout Association for a number of years. Our Chief Executive, Dan Corry, is a passionate former Scout.

The Scout Associations' Chief Executive, Matt Hyde, has reciprocated by speaking at various NPC events, and we have also had the chance to develop relationships with other members of staff who have attended our training and seminars.

In 2016, the Association asked us for more targeted help, but wasn't sure if they wanted a defined consulting project. After some discussion, we concluded that a retainer arrangement would work best. The Scout Association would drive the work, but we would be on-hand for advice, phone calls, facilitation—whatever was needed at any time.

Between 2016 and 2018, we helped the Association to think about a theory of change, measurement techniques, and survey design. We reviewed outputs and debated approaches. Over time, we enjoyed becoming a team coach and a critical friend. We involved different parts of the NPC team depending on the query, further deepening the relationship.

As a result, the type of impact we believe we have achieved with the Association is soft. There was no one big project or report, but rather a steady transfer of knowledge and skills that developed their confidence and capacity. They told us 'being able to validate the process gave us a lot of confidence. *The steady upskilling of lead staff, with constructive debate about process and content, meant we got to the right place.*' This is increasingly how NPC likes to work—'walking with people', rather than 'doing things to or for them', as this improves their ownership of the output and capacity within the organisation.

'Being volunteer-led makes it important for The Scouting Association to have lived experience and internal buy-in underpinning our delivery. Having NPC coach us, asking powerful questions and giving honest critiques, meant we could still "build" our theory of change ourselves, whilst having the confidence that we were going in the right direction.

Consultancy is more powerful when it unlocks what you already know, giving you the confidence to keep going, rather than allowing you to avoid difficult conversations or the heavy lifting needed to come to the best decisions. More work, less cash, better result.'

Liam Burns, Head of Policy, Strategy & Innovation, The Scout Association

The Sea Cadets



The Sea Cadets works with 14,000 young people at any one time across 400 local units. The organisation first approached NPC in 2014 to help think about, articulate, and measure their impact. The challenge for the Sea Cadets is that the impact of the work often occurs far into the future and is hard to measure—a challenge that is shared by all young organisations—and yet funders and stakeholders are keen to see better evidence of what is being achieved.

Since 2014, NPC has worked with the Sea Cadets on a number of projects. We began by helping them to agree their theory of change, and think about the various ways they could improve their data collection. We have since run surveys of Sea Cadets, volunteers, and parents, helped them to analyse their existing data, and commissioned a small-scale qualitative project.

The longstanding relationship between NPC and the Sea Cadets has enabled us to gain a good understanding of the organisation, to act as a sounding board, and to provide advice whenever needed.

In 2018, the Sea Cadets will publish their first impact report, which draws on all the evidence to indicate what the Sea Cadets achieved and highlight where they could do more. We also have new projects underway to further strengthen their evidence collection. We aim to help the Sea Cadets lead the youth sector in terms of impact practice.

'[This work] has helped to professionalise what we do, give us confidence in the market place, and bolster our view that we are making a positive impact. It's helping us to begin to monitor and evaluate in a more targeted way, and to marshal our resources more effectively and consciously.'

Samantha Shaw, Director of Fundraising & Communications, The Sea Cadets

Womankind Worldwide



Womankind supports women's movements to strengthen and grow, including through technical support, communications, connectivity and shared learning, advocacy platforms, and funding opportunities. Womankind are increasingly focusing on capacity building and advocacy, and asked NPC to help develop an evaluation approach for this work.

First, we helped Womankind unpack the kinds of improvements in partners' awareness, skills, and impact they support through capacity building. We did this across different aspects of women's movement building, including feminist leadership, resilience, coordinated action, and engagement. Our team then made recommendations for a measurement framework for Womankind's capacity building work, as well as the organisation's direct advocacy activities. NPC also developed two surveys—one for Womankind's partners (new and existing), and one for their wider stakeholders.

Womankind now has a framework for evaluating its core activities going forward. Feedback and outcomes data will inform the ongoing development of its capacity building and advocacy work, while also feeding into future impact reports to provide a clearer picture of what has changed or improved as a result of its activities.

'The NPC team was really good to work with... exploring challenging issues, breaking new ground in our work on movement strengthening, and suggesting ways forward for us to build on.'

Sarah Masters, Director of Policy, Programmes and Learning, Womankind Worldwide

KL Felicitas Foundation (KLF)



As KLF's impact partner, we were asked to review and report on the social impact of their impact investment portfolio, building on [the work we did with KLF in 2015](#).

Charly and Lisa Kleissner have over 14 years' experience of impact investing through their KL Felicitas Foundation (KLF), where they invest 100% of their assets for impact while achieving market-rate returns. Their wide-reaching portfolio has more than 40 different investments, ranging from microfinance institutions to organic farms, land restoration funds to cookstove businesses.

But how do you compare the impact of a fund restoring land in the US with a social business providing affordable healthcare in Kenya?

We used a range of new and existing frameworks to understand, explain and measuring the impact of the foundation. Across case studies of their investees we used the UN's Sustainable Development Goals (SDGs) and the Impact Management Project's 5 dimensions to provide a thematic overview of the impact of the Foundation's investments. We [updated and applied our own Impact Risk Classification \(IRC\)](#) to the whole portfolio—a tool to assess an organisation or fund's impact management practice, using that score as a proxy for impact achieved. And we explored the relationship between the financial returns and the social impact of KLF's investments.

The project enabled the Kleissners to understand their own impact and inform future decisions, as well as showing the field that impact can be achieved while achieving market-rate returns.

The report, [In pursuit of deep impact and market-rate returns](#), was published in April 2018. It has been welcomed for its transparency in reporting on both financial and social returns, and is an illustration of what is possible when impact management is prioritised by investors and investees alike.

[The updated IRC was launched in a separate research paper](#). We are working with partners to review how it can be further developed and used as a practical impact management tool by investors with portfolios as diverse as the Kleissners'.

'Thank you @NPCthinks and @sonencapital for being such great partners in writing and launching KL Felicitas Foundation's latest impact/financial report.'

Tweet by Charly Kleissner, Founder, KL Felicitas Foundation

'Kudos @NPCThinks @lisa_kleissner @CharlyKleissner for sharing your impact lessons and results, helpfully aligned to both the #SDGs and @impmgmt framework. Demonstrates the impact of your investees, and your own commitment to #impinv field building. Worth a read!'

Tweet by Chris Jurgens, Director of Impact Investing, the Omidyar Network



Transition Advice Fund (TAF)


We have been working on the Transition Advice Fund (TAF), a pooled fund supported by Barrow Cadbury Trust, the Legal Education Foundation, the Paul Hamlyn Foundation, and Unbound Philanthropy. The TAF aims to ensure that all European citizens and their dependents currently living in the UK can secure their right to 'settled status' after Brexit.

With more than 3 million people affected, this is an unprecedented challenge. Charities and citizens groups are on the frontline, with many already seeing increased demand from people anxious about their future. They are determined to avoid a repeat of the devastating problems that affected the Windrush generation.

A panel involving the funders and other experts sets the strategy and oversees grant-making decisions. We've been managing the TAF day-to-day, bringing expertise in strategic philanthropy and policy-engaged funding, as well as our extensive knowledge of the sector. Our ability to turnaround decisions quickly means that the fund is able to be agile and flexible.

By funding work to help build our understanding of the issues, and by supporting campaigning groups such as the3million and British Future, the TAF has sought to shape how the scheme is designed and delivered. We supported Migration Observatory research into who is at risk and how many people are affected, which has informed thinking and decisions among policy-makers as well as the charity sector. Follow-up work by Revealing Reality highlighted the emotional and practical barriers that will need to be addressed if the scheme is to succeed.

The TAF will increasingly focus on capacity building within the advice sector to ensure that people are able to access support, and that the charity sector is able to respond to this unique challenge.



Think tank

NPC aspires to be the leading think tank for the social sector, committed to the promotion of meaningful and impactful social change.

Our independence allows us to bring practitioners, experts, and leaders from within (and without) the sector to test and debate the issues it faces. Our consultancy work underpins this, providing us with practical insight into how to create and implement sector-wide innovation. Combined, our independence and experience provide us with a unique platform from which to galvanise and inspire the sector to meet the challenges ahead.

We have had another successful year of influencing policy and creating debate across a wide range of issues. As always, we achieved this through original research, practical projects and partnerships, media activity, and the events we organise and speak at.

Crucial to this, and for the second year running, was our flagship State of the Sector programme. In July 2017 we released the third of our trio of publications: *Flipping the narrative—a collection of essays by sector leaders outlining their hopes and thoughts on future innovation across the sector*. Diversity was a key theme to emerge from this work, and we are developing our own thoughts on this issue to be published in 2018/2019.

Turning to our work influencing and commenting on public policy, in September 2017, we [submitted evidence to the House of Lords Select Committee on Citizenship and Civic Engagement](#), set up in response to concerns about possible social division in the aftermath of the European referendum in June 2016. Our submission celebrated the role that the social sector plays in bringing together people of different backgrounds and perspectives. We also used our submission to reaffirm our belief that campaigning and activism are fundamental to the way in which many charities support civic engagement.

In May 2018, we [submitted a response to the government's Civil Society Strategy](#), concentrating on the five key areas where we think central government action can make a positive difference to the charity sector, namely: governance regulation and improvement; place, public services, and commissioning; infrastructural support; campaigning; and funders, philanthropists, and impact investment. We took an active part in the government's stakeholder engagement strategy around the process, and [promoted our thoughts in an op-ed in the Guardian](#).

In terms of developing new areas of policy, we have made progress in **building on the current debate within the public and voluntary sectors about the role of place-based interventions**. NPC launched this new strand of work in April 2018 at one of our regular topical debates, co-hosted with Deloitte.

Alongside this, we continued to publish resources to **help and challenge charities and funders to increase their effectiveness**, and to **share our knowledge** through a range of seminars and training sessions. It was a busy and varied year, including the following:

- Our practical guide on how to nudge further [towards an evidence-led social sector](#).
- *More than grants*, a collection of papers produced in conjunction with the Lloyds Bank Foundation for England and Wales to stimulate debate and provoke funders to consider if they are funding charities and voluntary organisations effectively.
- *Let's talk mission and merger*—the culmination of a high-level research project setting out the full range of different merger models available to charities; dispelling the myth that mergers are always takeovers; and making recommendations to charities, funders and regulators to make more mergers happen.
- Following our work to demystify systems change for a non-expert, charity sector audience in 2015, we worked again with Lankelly Chase on the topic. This time, we produced an accessible guide for how theory of change—now widely adopted in the charity sector—can be used to think about systems change, [Thinking big](#).
- Drawing on research from the Institute for Health Equity, we worked with them and the Health Foundation to highlight the contribution charities make to tackling the social determinants of ill health, [Keeping us well](#). We summarised the evidence on how things like housing and good relationships impact people's health, so charities can better understand and articulate the role they play.
- We worked again with The Richmond Group, this time to understand the impact of their work on cross-sector collaboration in health and care within a particular place. The work itself aims to achieve better outcomes for patients and reduced demand for services across Somerset. We captured learning from the initial stages of the project in [Tapping the potential](#).

Digital technology and the use of data are two areas where we see great potential for new approaches in the sector. Building on the previous year's work, we continued to look for practical ways to test and demonstrate this.

We have been working to develop collaborative approaches to tech for good in two areas: young people experiencing multiple disadvantage in the UK ([My best life](#)); and young women moving towards employment in other countries, including Kenya and India. On data, we continued our work with the UK government to develop [Data Labs](#) similar to the existing [Justice Data Lab](#) we helped set up. We've also explored opportunities to replicate the model with international partners. In addition, we are exploring how to help the charity sector make significant strides forward in the collection, analysis, and sharing of data.

How our think tank work is funded

Unrestricted funding continues to play a crucial role for NPC as it allows us to innovate on behalf of charities and funders, test ideas, and drive advances in practice and understanding—always with the aim of improving the effectiveness of the sector. We are grateful to the donors that support NPC's work as an independent think tank—including our Supporters' Circle, the Oak Foundation, and the Tuixen Foundation. This core funding helps to provide us with the resources we need to explore new areas and opportunities, so we can tackle social problems more successfully.

NPC's Supporters' Circle is a network of respected philanthropists whose core funding enables us to carry out our pioneering work. These like-minded individuals have an appetite for exploring innovative ways of working, and share our passion for making the charity sector more effective. As well as supporting our work financially, members contribute valuable insights, ideas, and expertise. We thank our Supporters' Circle members for their continued commitment and support this year.



We also wish to thank the foundations, companies, and individual philanthropists whose support enables us to tackle specific questions in areas such as criminal justice and homelessness, contributing their funds, time, and experience so we can address some of the most pressing challenges facing the sector.

STATE OF THE SECTOR ESSAYS

In early 2017/2018, we published the final output from the current phase of the State of the Sector programme, a series of essays titled *Flipping the narrative: Essays on transformation from the sector's boldest voices*. The 16 essays from innovative leaders in the social sector share their views and experiences of putting into action new ways of achieving social change for the causes and beneficiaries their organisations exist to serve.

Authors included Darren Murinas, Chief Executive of Expert Citizens; Debbie Pippard, Director of Programmes at Barrow Cadbury Trust; Javed Khan, Chief Executive of Barnardo's; Pat McArdle, Director of The Mayday Trust; and Peter Kellner, Chair of NCVO. They write on a broad range of topics such as user involvement, charity echo-chambers, transparency and trust, and impact leadership.

Following the release of the essays, we ran a number of events across the country to spread their contents further and to debate them with the sector directly. They continue to engage the sector online.

'Absolutely gripping reading—not sure what people on the bus thought of my mumbles and out loud laughing. Thanks @NPCthinks #lovedthem.'

Tweet by Pat McArdle, Chief Executive, The Mayday Trust

DEBATE ON DESIGNING BETTER PLACE-BASED SERVICES

The concept of 'place' as the central organising principle of economic and social change has gained significant traction in recent years. We believe the social sector has a major role to play in this agenda. The shape and scope of local public services, and the way decent communities are created, needs a radical rethink. The success of this will depend on a new form of partnership between the public, private, and social sectors.

Following our evaluation of healthcare collaboration in Somerset, and blogs on the role of place-based approaches in the voluntary sector, we decided to test the sector's appetite for a new programme of work on this theme at one of our regular topical debates. We co-hosted the event with Deloitte, gathering together leading figures from local government and the social sector. Between them, they debated and answered questions such as:

- How can we ensure the public sector increases the amount of services commissioned from charities and other social organisations, thereby enshrining greater social value?
- How might we effect a shift towards longer contracts and outcome-based commissioning as the norm across the public sector?
- Is it time for a more fundamental coalition for social change that brings the public and social sectors together?
- How can we work together to empower and protect local communities?

'Great women talking sound sense—@Kathy_CEO_CE @PialiDG @imogenwalker and Arvinda Gohil this morning on place and public services. #NPCevents—thank you.'

Tweet by Helen Goulden, Chief Executive, The Young Foundation

The event not only convinced us NPC has an important role to play in the ongoing debate over place-based approaches, it also had a profound effect on the programme of work we will pursue over the course of 2018/2019.



BUILDING AN EVIDENCE-LED CHARITY SECTOR

One of the reasons NPC exists is to encourage the charity sector to use more evidence and evaluation to improve the effectiveness of its good work.

Charities and funders are, with limited resources, tackling difficult issues: trying to improve people's lives, tackle injustices, change government policies, and help cure diseases. We need to use evidence effectively to understand what works and what doesn't, so that, in turn, we can each achieve our mission.

Following our work on [data collection](#), [the effective use of data](#), [proportionate evaluation](#), and the [different impact questions we need to answer](#), we launched a paper, [Towards an evidence-led social sector](#). The paper sets out why we believe good evidence about what works can help the charity sector, and what kind of approach we should be aiming for. In this, we have been deliberately ambitious. But we also need to be realistic, so we also suggest some immediate changes that organisations, and sub-sectors, can do to help us along the journey and look at existing pockets of good practice.

We aim to develop these insights in the coming years to help build a more evidence-led social sector.

'Another brilliant report by @NPCthinks providing lots of practical advice on how to plan effective #evaluation. The example of a flawed evidence journey sadly corresponds to a lot of the evaluation studies I come across.'

Tweet by Ben Gammon, Consultant, Ben Gammon Consulting



USER MAPPING AND DIGITAL TECHNOLOGY IN THE YOUTH SECTOR

We believe that digital technology can and will transform the charity sector's ability to create lasting change for the people it exists to serve. Working on new approaches to make this happen is a strategic priority for NPC.

Over the past year, we completed the first stage of a pilot project working with young people experiencing multiple disadvantage to identify opportunities for digital technology to make the greatest impact. The research was published in the form of a report, [*My best life: Priorities for digital technology in the youth sector*](#).

The project culminated in the development of several technology concepts, from which two priorities emerged: a digital assistant for young people to help them navigate a complex world of information, support, products and services; and an online community for youth workers. We are now actively exploring these, working in partnership with young people, youth charities, and tech developers, and raising funding to develop prototypes.

A photo of the original experience map created in workshops with young people.



Communications

Our communications activities help to drive change at both the organisational and sector level. We do this by stimulating debate within the sector about its effectiveness and how to improve it, by sharing knowledge gained from consulting projects and research, and by disseminating work from our think tank programme. We monitor our communications activity and engagement through web and social media analytics, stakeholder surveys, and feedback forms completed by event participants.

Over the past year, our digital activity resulted in **192,125** unique website users, **412,991** total page views, and **~279k** [publication](#) downloads. We saw a **9%** increase in our social media followers on [Twitter](#), to **20,280**, and a **30%** increase in [LinkedIn](#) connections, to **2,408**.

We maintained a wide-ranging [events programme](#), reaching approximately **1,880** people via **37** events in 2017/2018. These included training workshops, public debates, seminars, launch events, and our flagship annual conference, NPC Ignites. Many were free or low-cost to enable smaller charities to attend. 80% of our training attendees said their expectations were met, with 84% expecting to use what they learnt.

[Our blog](#) featured between 5 and 10 posts a month from NPC staff and guest bloggers, covering a combination of responses to news stories, views on sector debates, and insights from our consultancy and think tank work, gaining over **58k** views.

We also continued to improve the quality and quantity of [our media coverage](#), providing an expert view on issues that affect the sector—from governance to grant-making, mergers to corporate charity partnerships. Over the past year, we were invited to talk on BBC Radio 4, Sky News, and TalkRadio, also appearing in the Financial Times, Politics.co.uk, Stanford Social Innovation Review, and The Conversation. We regularly contributed to a wide range of sector publications and blogs, including Third Sector, Civil Society, Charity Digital News, Alliance, and Pioneers Post.

Interviews with people in the sector report that NPC's work is viewed as high quality, rigorous, topical, and relevant. Our brand is trusted, authoritative, and challenging. Taking feedback on board, we must ensure we are using modern methods to share research and ideas, while also creating summary, or more digestible, versions of our work. Doing so will mean our insights have the greatest possible reach and impact. This is something we have been working on and will continue to push forward in the coming year. The feedback has already informed the design of our new website, which launched in early 2018/2019.

It was also a priority in 2017/2018 to ensure that all communications activities were in line with new GDPR regulations.

'Insightful, practical, and empowering training.'

'Excellent overview with a good balance of practical tips and discussion.'

Training attendees

'By far the most fun panels in the sector—always positive, inspirational and upbeat.'

Event attendee

'Excellent hints, tips, and lots of reality.'

Topical seminar attendee



NPC Ignites

In October 2017, we hosted our seventh annual conference, NPC Ignites. The day is designed to help charities and funders keep pace with change by anticipating new trends and innovations to ensure their organisations are always maximising social impact.

The conference showed just how exciting the sector can be. Attendees heard from great charity leaders like: Polly Neate, Chief Executive of Shelter; Fiona Weir, Chief Executive of the The Joseph Rowntree Reform Trust Limited; Michelle Mitchell, then Chief Executive of the MS Society; and Lord David Sainsbury.

As speaker Stephen Hale, Chief Executive of Refugee Action, was kind enough to say: *'The voluntary sector needs reflection and it needs challenge, it needs an obsession with impact, and it needs creative new solutions. I think NPC is really helping us do those things.'*

Feedback revealed that 61% of attendees rated the event as excellent and 39% as good.

'The seminal must-go-to-event on the circuit.'

'I haven't been to many conferences before, so this has set the bar high! I remember reading that I would come out feeling inspired and I absolutely did feel that way.'

NPC Ignites attendees

GENERATING IDEAS AND DEBATE

NPC aims to be a critical friend to the charity sector, spurring it on when it's doing well, and calling it out when we know it can do better. Our communications work is a key way we generate discussion and debate, while also highlighting promising approaches so charitable organisations can put them into practice.

Through original research, opinion pieces, topical events, and our annual charity conference, NPC Ignites, we get stuck into important issues facing the charity sector, and provide a platform for insight and challenge.

This year, we ran topical events on digital privacy, place and locality, and community cohesion. The NPC blog was busy, with over 60 pieces on topics like fundraising ethics and Brexit collectively gaining over 58k views. Our research on charity mergers rekindled the debate in the sector. And our commentary on issues like volunteering in the NHS, and charity safeguarding scandals, made it into the national press.

'[NPC are] thought-leaders on how we transform ourselves and our sector!'

Tweet by SpeakUp Forum

'I can't now imagine a world in which NPC doesn't exist.'

Carol Mack, Chief Executive, ACF

THE CLOTHWORKERS' COMPANY

NPC has been working with The Clothworkers' Company on themes around governance since 2010. We run 3–4 seminars a year at Clothworkers' Hall, delivering 20 events overall. These cover topics as diverse as how to run a small charity and the role of charity mergers. The liveliest debate was about whether trustees should be paid, although the programme also covers the practical aspects of good governance. In total, over 1,500 attendees have paid a modest fee to learn from experts and meet other trustees in a similar boat.



The format is simple: a panel of trustees and experts share their experiences of a particular issue, which participants then have the chance to discuss. This is followed by networking over refreshments. NPC captures the evening's conversation in a write-up briefing, the most recent of which, *Diversity in governance: The what, why and how*, has been downloaded 262 times since it was published in May 2017.

In 2017/2018, we held three seminars with over 130 delegates. The first was about the advantages of diversity and how charities can diversify their boards. The second covered how charities are putting the 2017 Charity Governance Code into practice. The final seminar debated how charities that merge together can achieve more impact for their beneficiaries. 84% of attendees said they would use what they learnt at the seminars on their boards, and one attendee commented: 'All parts useful: hearing experiences of speakers and sharing ideas at the table'.

From NPC's perspective, these seminars have grounded in reality our thinking around governance. The briefings are rooted in practical experience, rather than theorising. The feedback from sessions indicates that attendees appreciate learning something new and meeting others in similar situations.

Next year, we will refresh the seminars, and—for the first time—offer them for free. Instead of publishing formal briefings, the write-ups will take a shorter, blog format. We think this reflects changing trends in how people consume information.

'Promoting trusteeship among our members and championing effective governance across the third sector has become a core part of The Clothworkers' Company's modern mission. We believe good governance and doing good go hand-in-hand, which is why we work with NPC and other partners to offer advice, support, and training to trustees throughout the UK.'

Jocelyn Stuart-Grumbar, Clerk, The Clothworkers' Company

INSPIRING IMPACT

The [Inspiring Impact](#) programme helps charities, social enterprises, and funders of all sizes across the UK to improve their impact practice. NPC has led the Inspiring Impact partnership for the last six years, working with NCVO, ACF, Substance, ESS, CENI, and WCVA.



Charity staff and volunteers use the Inspiring Impact resources, networks, and funding to improve how they plan, deliver, and review their activities. This might mean defining clearer outcomes with their beneficiaries, figuring out how to analyse the data they've collected so they can learn from it, or writing a meaningful impact report to share their work.

In the past year, 13,000 people used our improved website, nine more organisations became [Impact Champions](#) to help their members and promote the programme, and we offered over £55,000 worth of free consultancy to sub-sector projects with mental health charities, arts charities and funders, and Welsh infrastructure bodies.

Looking ahead to 2018/2019, we will bring together Inspiring Impact and the Impact Management Programme into a single, collaborative programme. Organisations around the UK that want to improve their impact practice and learn from others will benefit from improved Inspiring Impact resources, as well as new networks and funding.

'I wanted to thank you for a really easy to follow, step by step, informative and needed piece of work ... I am so glad that I stumbled across your site, as it has nailed the questions that funders ask me ... I now realise how wrong my answers were. I cannot thank you enough.'

Measuring Up! user

WHAT PEOPLE SAY ABOUT US:

'For many years, NPC has been an excellent support and a lodestar for Tuixen. The quality of the work is always first class and it is impossible not to be challenged and energised by the individuals and the whole.'

Jan Doole, Tuixen Foundation

'NPC has always proved itself to be the calm, dispassionate voice of reason in a sector that can get distorted by emotion and hyperbole. When I am looking at a new sector, I always turn to the NPC website first to see if there is already a report written by them on the subject because it will invariably be the most impartial and informative.'

Nick Jenkins, NPC Supporter

'NPC opened eyes in the organisation to the value of impact management in improving organisational effectiveness. The findings from the services pilot provide a grounding for how we can adapt our organisational impact management as we go through our merger and transformation programme.'

Andrew Berry, Impact and Evaluation Manager, Versus Arthritis

'I am proud to have been involved in the development of NPC into a major force in the charitable and not-for-profit scene.'

David Robins, Supporter, Co-Founder and former NPC Chair

'A central element of our programme is to encourage greater collaboration between charities, social enterprises, funders, and policymakers. This is primarily done through the building of relationships, and the sharing of information and experiences. Our engagement with NPC, and its Supporters' Circle, has been a helpful and integral part of our activity.'

Jonathan Smith, Head of CSR, Woodford Investment Management

REPORTING AGAINST LAST YEAR'S PLANS

In last year's annual report, we explained what we broadly wanted to achieve in the coming year. Here, we show how we have progressed against the aims we set for our consultancy, think tank, and communications work in the 2017/2018 financial year.

Consulting

Plan	Progress in 2017/2018
Build on our leadership position in key areas, including working with charities on strategy and effectiveness, advising charitable funders on effective funding and impact investing, and providing theory of change and impact services.	<p>We have continued to work with major charities to provide confidential support on strategy and governance.</p> <p>In January 2018, we published Knowledge and learning for social organisations aiming to grow or scale up, based on NPC's experience of working with eight Accelerating Ideas projects that are supported by Nesta and the Big Lottery Fund.</p> <p>We continued to advise charitable foundations and philanthropists on effective funding and impact investing. We undertook landscape research to guide funders wishing to make an impact on substance abuse, older people, early years, and women's pathways through the criminal justice system. We also delivered tailored workshops on effective giving with individual philanthropists and family foundations.</p> <p>Our impact investment work is growing. We support a number of funds as their impact partner, including Cheyne Capital and Social Investment Consultancy. We published an impact review of KL Felicitas Foundation's investment portfolio, which showed both financial and social returns across a broad range of investments. As part of this project, we developed a practical framework for assessing and comparing the impact of investees—both funds and enterprises—for others to adapt and use.</p> <p>Our series of six Leading Impact seminars on a range of topics were well-received. A total of 215 delegates attended, with a satisfaction rate of 97%. We also continued our regular training workshops on theory of change and understanding impact for both funders and charities, supporting 83 people overall.</p>

Review and update our thinking in key areas, including impact measurement and theory of change. Our intention is to share emerging thinking with the market and encourage broad debate and feedback.

We advanced our thinking on health through two major pieces of work.

[*Keeping us well*](#)—our published work with the Institute of Health Equity and the Health Foundation—looked at the social determinants of health and how charities' work on social issues like housing and the environment helps to keep people well. In [*Tapping the potential*](#), we helped the Richmond Group assess its efforts in forming a collaborative group of charities in Somerset to work with the NHS.

[*Shifting the dial*](#) shared our thinking about how to create a theory of change to help measure campaigning and policy work.

[*Data with destiny*](#) shone a light on how we should use data for meaningful change once it's collected.

At our NPC Ignites conference, we launched [*Towards an evidence-led social sector*](#), where we set out what it looks like to use evidence effectively and suggested ways to achieve it.

We launched the website impactsupport.org, which offers impact management resources and digital tools as part of the Access Impact Management Programme. It includes a data diagnostic tool based on our [*five types of data*](#) approach.

We have not yet updated our own theory of change. However, at the end of 2017/2018 we secured funding in order to do this. We will work to ensure this is in line with our emerging strategy.

Continue to explore new and emerging approaches that can support charity effectiveness, such as improving the use of data, helping the sector utilise digital technology, and systems change.

[*Let's talk mission and merger*](#) highlighted the strategic significance of mergers.

We launched our [*Youth Investment Fund learning project*](#) website, sharing the approach we are taking with the [*Centre for Youth Impact*](#) to support the open-access youth provision sector with evaluation and learning.

With Mowat NFP and Imagine Canada we published [*Collaborating for greater impact*](#), which defines the data ecosystem, and provides recommendations on how to build a more enabling environment for data collection, analysis, and sharing.

We continued to help charities and funders take a systems change approach to their work. Lankelly Chase Foundation supported the publication of [*Thinking big*](#), in which we take organisations through how to use theory of change for systems change. We presented our approach at a [*conference*](#) organised by the Social Research Association and the Policy Innovation Research Unit. We also shared our systems change work through events: at the Sheila McKechnie Foundation, exploring [*how to meaningfully evaluate social change*](#); at the Lankelly Chase Foundation, with a focus on funders; at Big Society Capital, during a learning session; and at the City of London and City Bridge Trust, with civil society organisations. We are using systems change approaches in our research projects on homelessness and criminal justice, as well as in [*our evaluation of Friends Provident Foundation's Building Resilient Economies programme*](#).

Think tank

Plan	Progress in 2017/2018
Continue to challenge and inspire the sector, building on the success and evidence base of Charities taking charge .	<p>Building on the first two outputs from our State of the Sector programme, we published Flipping the narrative, a series of 16 essays from sector leaders who are thinking about, and putting into action, new ways of achieving social change for the causes and beneficiaries their organisations exist to serve.</p> <p>Following the publication, we took this work to events around the country to discuss the findings and how the ideas put forward can be developed.</p> <p>The programme of work continues to influence and shape our think tank agenda. It has prompted us to further explore issues surrounding diversity, digital, and user involvement, leading to further outputs, as well as stimulating ongoing discussion of these themes within the sector.</p>
Through our annual conference, NPC Ignites, provide challenge and inspiration to charity leaders, and position NPC as a thought-leader in the sector.	<p>At our annual conference, NPC Ignites, over 200 leaders from across the sector and beyond gathered to hear just how exciting this sector can be. They heard from great charity leaders like Polly Neate of Shelter, Fiona Weir of The Joseph Rowntree Reform Trust Limited and and Stephen Hale of Refugee Action.</p> <p>The theme for the conference was Connect. Challenge. Change which helped to cement NPC's position as an organisation that brings people together to inspire and challenge them. The conference generated much attention in the sector press and online.</p>
Consolidate and continue to promote our core thinking on charity effectiveness and impact measurement.	<p>At NPC Ignites, we published our thinking on what a successful ecosystem looks like, Towards an evidence-led social sector. We encouraged participants to debate this theme during a roundtable of sector experts, and explored what an evidence-led social sector would mean for data, specifically, in Collaborating for greater impact, a partnership project with Mowat NFP and Imagine Canada.</p> <p>We have secured funding that will enable us to update and consolidate our seminal publications on building an impact measurement framework and theory of change. The work for this will occur in 2018/2019.</p> <p>We have been a core part of the decision to merge Inspiring Impact and the Impact Management Programme, which will begin in 2018/2019. During 2017/2018, both programmes launched new websites offering free resources to the sector, which have been well-received and widely used.</p>
Consolidate our work on effective charities, strategy, and governance from the previous year, and disseminate and develop this through a series of seminars and other activities.	<p>In Let's talk mission and merger, we put forward our thinking on collective action as a means of achieving greater impact—with mergers as an extension of this. Duplication, wasted resources, and 'too many charities' are held up as reasons to question the efficacy of the sector, and our paper sought to open up conversations about how the sector can better work together, at all levels, for greater impact.</p> <p>We continued our successful series of Leading Impact seminars—to disseminate our work on topics such as data visualisation, campaigning, and user voice—and our trustee seminars—on topics like mergers and diversity. Delegate numbers were lower than expected, but the feedback was very positive, with plenty of appetite for more.</p> <p>Following the trustee seminars, we published briefing papers to extend the learning beyond just those in the room.</p>

<p>Build on our work on the potential of digital technology for the sector.</p>	<p>As planned, over the past year we published My best life, the result of the research phase of our work on digital technology for young people experiencing multiple disadvantage. We are currently fundraising so we can take this initiative forward, with our aim to develop the first prototypes over the next year. We will do this using a partnership and governance structure that puts young people with lived experience at the heart of the partnership and also brings together expertise from across the youth and technology sectors.</p> <p>We are at an earlier stage in our plans to develop a similar initiative focused on young women's pathways to employment in Kenya and India, but we hope to conduct a research study over the next year to identify priorities for digital technology, following the example of My best life.</p>
<p>Continue to develop our work on data in the sector.</p>	<p>We jointly published a report Collaborating for greater impact with the Mowat Centre on the development of a robust data infrastructure and ecosystem in the social sector, in Canada and the UK. We are working to take forward many of the policy recommendations on an ongoing basis.</p> <p>We continued to explore opportunities for the replication of the Data Lab model with UK government departments, and internationally. Following a joint project with GovLab, looking into the replication of the model in the US, we are actively investigating replication in the US, Canada, and Australia, and exploring interest in the model elsewhere.</p> <p>Progress on our work on data ownership and stewardship was slower than we hoped, but over the next year we plan to publish a first draft of a Personal Data Charter for Charities, and then develop a process for consulting on, reviewing, and taking such a charter forward.</p>
<p>Continue to explore opportunities within different areas of policy and practice, particularly where the voluntary sector intersects with the statutory sector, with a focus on health, criminal justice, and young people.</p>	<p>We carried out a number of projects in the field of health policy, including continued work with the Institute of Health Equity on the social determinants of health, and continued work evaluating the Richmond Group of Health Charities' attempts to develop more collaborative working between the public and social sectors in Somerset.</p> <p>We built on our past work on criminal justice, scoping and receiving funding for a new project looking at the role of charities in prisons, in particular: charities' access to prisons; how the sector influences policy and practice; and funder drift away from criminal justice. We also finalised our thinking on Understanding women's pathways through the criminal justice system for J. Leon.</p> <p>We scoped research on user involvement in the social sector. We also scoped research, and began to seek funding, for a programme looking at the 'place agenda', including: the future of public services and the social sector; evaluating existing relationships and testing new cross-sectoral models of place; and philanthropy and place.</p>

Continue to develop policy responses to key issues affecting the charity sector. Focus and strengthen our policy asks and refresh our strategies for achieving these.

[Our submission to the House of Lords Committee into Citizenship and Civic Engagement](#) gave us the opportunity to consolidate and refine our thoughts on the role of the social sector in promoting these activities.

[Our submission to the government's Civil Society Strategy](#)—and the consultation around it—offered us the chance to reflect on and refine our policy asks both of government and the wider social sector.

We refreshed [our Policy Advisory Board](#) as part of our efforts to remain at the cutting edge of deliberation and debate within the sector. In a similar vein, we reconstituted and planned a series of policy briefings, co-convened by a number of external speakers, to maximise our relevance among the wider public policy, think tank, and public affairs communities.

We continued to cultivate relationships with the Charity Commission, the Office for Civil Society, and the wider Department for Digital, Culture, Media and Sport, as well as other key stakeholders across the social and public sectors.

Communications

Progress in 2017/2018

Deepen our understanding of our audiences and their engagement with NPC, and work to increase this engagement with key audiences.

Over the past year, the communications team focused on better understanding our audiences, so that we can disseminate our work in a way that engages them. As our web analytics show, we continue to grow our reach, although our networks have been impacted by the implementation of GDPR.

Qualitative interviews to supplement our quantitative annual survey helped us to better understand a key cross-section of our audiences.

Review and start work to refresh NPC's website and the way we present information digitally—making it accessible for our users, and ensuring it is up-to-date.

The NPC website—now six years old—whilst attracting a good level of traffic and engagement has been failing on accessibility and useability, leading to below-par user experiences. We are working to improve the user experience and launched a new website in early 2018/2019. Early feedback and website analytics are very positive.

We continued to stimulate debate and disseminate our work through social media, with the publication of reports and key events trending on Twitter.

We also experimented with how to engage online users in different ways by producing an interactive digital map, Twitter threads, audio, and individual essays.

Retain the positioning and profile of NPC within the sector—as a credible, influential and challenging voice.

We welcomed a new Media and Communications Manager to the team who has helped build and maintain our relationships with key sector media, ensuring we respond to debates as soon as they emerge. We achieved coverage in the charity sector press and the mainstream media, including: BBC Radio 4, Sky News, TalkRadio, the Financial Times, Politics.co.uk, Stanford Social Innovation Review, and The Conversation.

PLANS FOR NEXT YEAR

In the coming year, we will finalise our new strategy. Our current plans for this next year fall into the following themes.

What we want to achieve for the sector

The following aims will drive the consultancy projects, research, and thought leadership we bid for, design, and produce over the coming year.

1. **Secure the future of impact management resources, and move the sector's thinking towards an evidence ecosystem approach.** We will do this by bringing together Inspiring Impact and the Impact Management Programme to create a new combined initiative. This will offer access to free support for even more charities and social enterprises across the UK, including online tools; peer learning via face-to-face events, webinars, and an online forum; impact champions; and grants to support impact management projects within charities or social enterprises. We will also refresh our NPC materials on impact measurement and theory of change, and continue to develop our work on impact assurance for impact investing.
2. **Inspire and support bold leadership in the sector, so that leaders consider how they can best deliver impact.** We believe this can be achieved by continuing to push for a new approach to digital technology and data in the social sector, built on collaboration, openness, and user-centred approaches.
3. **Help the sector move from 'in principle' to 'in practice' on the issues of user-centricity and diversity.** We will work in collaboration with other organisations to facilitate discussion in the sector by producing free materials in a variety of formats, and using our network to convene both formal and informal opportunities to share best practice.
4. **Be a voice in the sector that provides a challenging and independent point of view to improve debate and avoid group-think.** We will focus on the role of place-based approaches, alongside other areas where the voluntary sector intersects with the public sector, including health, criminal justice, homelessness, and young people.
5. **Challenge foundations to move outside their comfort zone** by considering their role in progressing impact management and promoting further sector-wide discussion on digital, data, user involvement, and place-based approaches.

What we want to achieve for NPC

1. **Have a clear and compelling narrative, measure our impact, communicate what's important to us, and influence people.** Stakeholder feedback tells us that NPC plays a valuable role in the sector, but we need to become less 'abstract'. We have already started this process, with the launch of our new website in the first quarter of 2018/2019. We will follow up by reviewing the way we describe ourselves and what we do, agreeing and communicating our focus areas, and building on an impact assessment framework to help us prioritise and review the impact of our own work.
2. **Establish an integrated and flexible operating model that reflects a whole-of-NPC approach to achieving our impact and financial goals.** We will work to create even greater cohesion between our consulting expertise and our think tank thought-leadership. We will make space to develop new and existing services, ideas and resources that will help us achieve impact. We will also ensure that NPC has the optimum team structure and is well-placed to attract the best talent with a diverse range of skills and experience. To do this, we will learn from others to review, and, where appropriate, modify our employer brand, recruitment channels, and application and selection process.
3. **Drive our financial strength.** In the coming year, we want to establish the building blocks that will enable us to build our longer-term financial sustainability and resilience. We recognise that this is likely to take three-five years. We will start this process by refreshing our strategy, supported by clear implementation and financial plans, which we anticipate will bring in additional income over the medium term. In the shorter-term, we will increase our investment in strengthening and extending relationships with our network of supporters—both individuals and donors.



DELIVERING ON 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 2018 is set out on page 39 of this report.

Financial activities

Total incoming resources for the year amounted to £3,333,520, an increase of 10% on the previous financial year (2016/2017: £3,036,911).

Income from our consulting and think tank work totalled £2,549,749, an increase of 10% (2016/2017: £2,307,779). Year on year comparisons are affected by the amount of grant income received and controlled by NPC, which we then grant to others. This affects both our reported income and costs. In 2018, we received £272,010 of such income, compared with £111,901 in 2017. This increase results from the management of pooled funds for the Transition Advice Fund, a service provided for the first time in this financial year.

Four trustees made donations of £10,000 each through membership of our Supporters' Circle during the year. Also, we received core funding from our trustees of £350,000 (2016/2017: £280,000). In 2018, trustees' funding accounted for 12% of revenue compared to 11% in 2017. Over time, our aim is to reduce NPC's dependence on trustee funding by increasing and diversifying our external revenue sources.

This was the sixth year of our Supporters' Circle, from which we received unrestricted donations of £160,680, a decrease of 3% (2016/2017: £165,437).

Unrestricted grants remained unchanged at £180,000 (2016/2017: £180,000).

Total resources expended in the year were £3,205,749, an increase of 7% (2016/2017: £2,996,146). Excluding grant income received and then granted to others (see above), expenditure increased by 2% compared with 2017. The largest part of our expenditure went towards our staff, including employees, temporary staff, and external consultants. Other project delivery costs, mainly partners and associates payments, and premises costs, were the next most significant components.

Funding

During the year, NPC's main sources of funding were fees for consulting work, restricted 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.

Our approach to fundraising

Our relationship with our supporters is very important to us. We aim to ensure that our fundraising is respectful, open, honest, and accountable. We have a close relationship with members of our Supporters' Circle and other individuals, foundations, and organisations that support us.

All fundraising is conducted by internal staff. NPC does not use external professional fundraisers, does not employ the services of any fundraising agencies or third parties, and does not run telephone or door to door fundraising campaigns.

We have ensured compliance with the new data protection regulations, and, as part of our ongoing commitment to best practice, we strive to adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. Further information about how we gather and use information as part of our fundraising activities can be found in our privacy statement on our website, which includes a clearly documented complaints process. During the year, there were no instances of non-compliance with the requirements of the fundraising code of practice, and no complaints have been received by NPC regarding our fundraising activities.

Investment policy

In accordance with the memorandum of association, the trustees have the power to invest any of NPC's funds—that are 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.

Reserves policy and unrestricted funds

The trustees believe that, in 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 between 25% and 50% of its planned activities for the year ahead.

At 30 June 2018, NPC had unrestricted reserves of £508,442 (2016/2017: £496,878) and committed fees and unrestricted grant income of £754,891 (2016/2017: £753,018). We expect average monthly expenditure in the year to 30 June 2019 to be £218,000 (2018 forecast: £205,000). The total of £1,263,333 (2016/2017: £1,249,896) of unrestricted reserves, and committed fees and unrestricted grant income, will therefore cover approximately five and a half months of budgeted expenditure, which is in line with our reserves policy.

The trustees are confident that NPC has sufficient reserves and committed income to fund our 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 sectors, and to pay our people accordingly. NPC's remuneration process is as follows:

- The board is responsible for setting the chief executive salary.
- The chief executive 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, chief executive, 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 into account 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 note 8.
- Living Wage: NPC is an accredited Living Wage employer and does not hire unpaid interns.
- Staff at all levels have access to the same benefits, including pensions.

Trading subsidiary

The charity has a wholly-owned trading subsidiary, NPC Trading Limited. The company did not trade during the years ended 30 June 2018 or 30 June 2017.

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.

Recruitment, induction and training

Trustees regularly complete a skills assessment and use this as a basis for deciding whether to recruit new additional trustees to complement the existing board's skills and experience. Board vacancies are advertised externally. Applications are screened, and short-listed applicants are invited to meet with representatives from the board and management team. 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, as well as external stakeholders. When new trustees are recruited, their training needs are assessed and met as necessary.

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 implementing 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 senior management team consists of the chief executive, the chief operating officer, the director of research & consulting, the director of innovation & development, the director of think tank & external affairs, and the HR consultant. The wider management team also includes heads of department.

During the year ended 30 June 2018, NPC employed an average of 42 employees, of whom many worked part-time, giving 34 full-time equivalent employees. More detail is provided in note 8 to the financial statements. At 30 June 2018, the number of staff increased slightly, with 43 permanent employees and 37 full-time equivalent employees.

At NPC, we recognise the importance of staff diversity in the widest sense, and believe that this, allied to recruiting top-quality talent, is very important in helping us achieve our aims. We therefore want to make sure we recruit people who think in different ways and come from diverse backgrounds. We have started a process to better understand our staff diversity, so we can consider how to improve it. We have strong female representation throughout our organisation, with a good cross section of ages. As at 30 June 2018:

- 74% of our staff team was female, including 7 out of 10 of our management team (head of department and above).
- Our staff are aged between 23 and 58, with an average age of 35.

However, we recognise that our black, Asian, and minority ethnic (BAME) representation is low, and that we need to ensure we are an attractive and inclusive employer for people with disabilities.

Every year we run a staff engagement survey. We are pleased to report that, for the third year running, our overall engagement score—referring to staff who said that 'taking everything into consideration, NPC is a "good" or "very good" place to work'—exceeded 90%, with a 95% response rate.

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 chair and senior management team, and annually by the trustees. The board considers the following to be high-risk areas:

Description of the risk	Strategy
Key staff are not retained or there is difficulty in recruiting good staff.	<ul style="list-style-type: none"> • Maintain a strong relationship between trustee board and management team. • Review recruitment practices, including the NPC offer, recruitment channels, and application and selection procedures, to reach a diverse group of applicants. • Ensure compensation plan is competitive and combined with non-financial benefits, including flexible working, continual recognition, and prompt feedback. • Produce professional development plans for all staff, supplemented by on-the-job training and support. • Conduct annual staff survey, plus exit interviews for all leavers. Communicate and respond to findings.
Prolonged recession or other macro-economic or political event results in a negative environment for commissioning consulting projects.	<ul style="list-style-type: none"> • Pursue a diverse business development plan that includes a range of services and client groups. • Maintain and improve NPC's profile by refreshing the website and marketing materials, among other activities. • Agree quarterly targets for pipeline and delivery, including pricing, staff utilisation, and delivery timeframes.
Unable to respond to developments in digital and data.	<ul style="list-style-type: none"> • Bring digital and data services increasingly into business as usual activities. • Develop staff skills. • Recruit with technological capabilities in mind.
Unrestricted funding targets are not met.	<ul style="list-style-type: none"> • Develop a clear fundraising proposition. • Carry out regular conversations with existing and prospective donors. • Utilise networks to raise NPC's profile amongst potential funders.

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.

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 on 18 December 2018 and signed on their behalf by:



Richard Atterbury
Chair

REFERENCE AND ADMINISTRATIVE DETAILS

Charity registration number	1091450
Company registration number	4244715
Trustees	Richard Atterbury (Chair) Simon Buckby Lucy de Groot (appointed December 2017) Vaughan Lindsey (Chair-elect, appointed October 2018) Sir Harvey McGrath Marcelle Speller John Stares Peter Wheeler
Chief executive	Dan Corry
Registered office	Harling House, 47-51 Great Suffolk Street, London SE1 0BS
Auditors	Sayer Vincent LLP Invicta House, 108-114 Golden Lane, London EC1Y 0TL
Bankers	NatWest, Charing Cross Business Centre, 3rd Floor, Cavell House London, WC2H 0NN
Solicitors	Bates, Wells & Braithwaite 10 Queen Street Place London, EC4R 1BE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW PHILANTHROPY CAPITAL

Opinion

We have audited the financial statements of New Philanthropy Capital (the 'charitable company') for the year ended 30 June 2018, which comprise the statement of financial activities, balance sheet, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joanna Pittman (Senior statutory auditor)

19 December 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

FINANCIAL STATEMENTS

NEW PHILANTHROPY CAPITAL STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account) For the year ended 30 June 2018

	Notes	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
		£	£	£	£
INCOME FROM					
Donations and legacies	2	690,730	-	690,730	625,487
Charitable activities					
Consulting	3	1,690,791	409,910	2,100,701	1,816,774
Think tank	3	-	449,048	449,048	491,005
Communications		88,248	-	88,248	98,773
Other trading activities		4,672	-	4,672	4,273
Investments		121	-	121	149
Total income		<u>2,474,562</u>	<u>858,958</u>	<u>3,333,520</u>	<u>3,036,911</u>
EXPENDITURE ON					
Raising funds		168,046	-	168,046	114,956
Charitable activities					
Consulting		1,205,730	389,680	1,595,410	1,608,381
Think tank		669,778	353,071	1,022,849	908,277
Communications		419,444	-	419,444	364,532
Total expenditure	4	<u>2,462,998</u>	<u>742,751</u>	<u>3,205,749</u>	<u>2,996,146</u>
Net income/(expenditure) for the year		<u>11,564</u>	<u>116,207</u>	<u>127,771</u>	<u>40,765</u>
Balance brought forward at 1 July		<u>496,878</u>	<u>173,384</u>	<u>670,262</u>	<u>629,497</u>
Balance carried forward at 30 June		<u>508,442</u>	<u>289,591</u>	<u>798,033</u>	<u>670,262</u>

All of the above results are derived from continuing activities; all gains and losses recognised in the year are included above. Movements in funds are disclosed in note 17 to the financial statements.

NEW PHILANTHROPY CAPITAL BALANCE SHEET

As at 30 June 2018

	Notes	2018 £	2017 £
Tangible fixed assets			
Investments	11	1	1
Fixed Assets	13	29,682	1
Current assets			
Debtors and prepayments	14	426,110	401,274
Cash at bank and in hand		804,105	793,262
		<u>1,230,215</u>	<u>1,194,536</u>
Current liabilities			
Creditors: amounts falling due within one year	15	<u>(461,865)</u>	<u>(524,275)</u>
Net current assets		768,350	670,261
Net assets		<u>798,033</u>	<u>670,262</u>
Funds			
Unrestricted funds		508,442	496,878
Restricted funds		289,591	173,384
Total funds		<u>798,033</u>	<u>670,262</u>

The financial statements were approved by the trustees on 18 December 2018 and signed on their behalf by:



Richard Atterbury
Chair

Company No: 4244715

NEW PHILANTHROPY CAPITAL

CASH FLOW STATEMENT

For the year ended 30 June 2017

	2018	2017
	£	£
Net (expenditure)/income	127,771	40,765
Adjustments for:		
Depreciation	8,051	-
Interest income	(121)	(149)
(Increase)/Decrease in debtors	(24,836)	136,129
(Decrease)/Increase in creditors	(62,410)	241,985
Net cash provided by/(used in) operating activities	48,455	418,730
Cash flow from investing activities		
Investment income—bank interest	121	149
Purchase of tangible fixed assets	(37,733)	-
Net cash provided by/(used in) investing activities	(37,612)	149
Change in cash and cash equivalents in the year	10,843	418,879
Cash and cash equivalents at the beginning of the year	793,262	374,383
Cash and cash equivalents at the end of the year	804,105	793,262

NEW PHILANTHROPY CAPITAL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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 in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)—(Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and income from investments. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b. Public Benefit Entity

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

c. Income

All income is included in the statement of financial activities (SOFA) when it is probable 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 income 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 income is 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 income is deferred.

d. 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.

e. Expenditure

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

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

Expenditure on raising funds	6%
Think tank	28%
Consulting	51%
Communications	15%

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

f. Expenditure on raising funds

Expenditure on funds relate to the costs incurred by the charitable company in developing relationships with 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.

g. 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.

h. 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.

i. 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.

j. Leases

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

k. Taxation

The charity is exempt from taxation on its charitable activities.

l. Investments

The investment in the subsidiary is being held at cost.

m. Financial instruments

Financial assets, such as cash and debtors, are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities, such as trade creditors, loans and finance leases, are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of NPC after deducting all of its liabilities.

n. Debtors

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

o. Cash

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

p. Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

q. Judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

- estimating the value of work in progress at the period end based on the percentage of work completed.

r. Statutory information

New Philanthropy Capital is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 4th Floor, Harling House, 47 51 Great Suffolk Street, London SE1 0BS.

2. Donations and legacies

	2018	2017
	£	£
Donations from or on behalf of trustees	350,000	280,000
Other donations:	50	50
Supporters' Circle	160,680	165,437
Grants for core funding:		
Oak Foundation	150,000	150,000
Tuixen Foundation	30,000	30,000
Total	690,730	625,487

All income from donations and legacies was unrestricted in both 2018 and 2017. Total donations received from trustees was £390,000 (2017: £344,850) this was made up of trustee donations through the Supporters' Circle and unrestricted funding. Additionally, an NPC trustee provided £33,000 for of restricted grant funding to further our work on corporate partnerships and homelessness (2017: £25,000 of funding for us to further our work in social investment).

3. Restricted revenue

		2018	2017
		£	£
Think tank			
<i>Data Labs</i>	Ingeus (ERSA)	5,000	-
<i>Inspiring Impact</i>	Barrow Cadbury Trust	7,000	7,500
	Big Lottery Fund	200,000	200,000
	Paul Hamlyn Foundation	-	15,000
	City Bridge Trust	-	15,000
	Pricewaterhouse Coopers	-	15,000
	City of London	15,000	-
<i>Systems Change and TOC</i>	Lankelly Chase Foundation	7,625	24,205
<i>State of the Sector</i>	Barrow Cadbury Trust	-	15,000
	Cripplegate Foundation	-	5,000
	Ecclesiastical Insurance	-	8,500
<i>Philanthropy Theory of Change</i>	Bates Wells Braithwaite	-	5,000

3. Restricted revenue (continued)

<i>Innovations in Measurement</i>	Department for International Development	-	26,000
	NSPCC	-	4,000
	Oxfam	-	4,000
	Save the Children	-	4,000
<i>Good Data Grant</i>	Gov Lab	4,973	6,000
<i>Corporate Research</i>	John Stares	3,000	24,850
<i>Digital Women's Empowerment</i>	Womanity Foundation	-	20,000
<i>Digital Youth</i>	Zing	18,000	15,000
<i>What Makes a Good Charity</i>	Unity Bank	-	5,000
<i>Impact Management Programme Small Grants</i>	Access	-	70,000
<i>Collective Impact Youth</i>	Centre for Youth Impact	-	1,950
<i>Homelessness</i>	JohnStares	30,000	-
<i>Criminal Justice</i>	The Aurum Charitable Trust	27,000	-
	The Drapers' Charitable Fund	30,000	-
	Mike Hobbs	6,250	-
<i>Mergers</i>	Lord Lupton	10,875	-
	Other donations <£10,000	84,325	-
Total Think Tank		449,048	491,005
Consulting			
<i>Social Determinants of Health</i>	Health Foundation	45,460	50,000
<i>Trustee seminars</i>	Clothworkers' Foundation	19,450	15,080
<i>Sector research</i>	RS Macdonald Charitable Trust	-	18,563
<i>Transition Advice Fund</i>	Unbound Philanthropy	185,000	-
	Legal Education Fund	80,000	-
	Paul Hamlyn Foundation	80,000	-
Total consulting		409,910	83,643
Total restricted revenue		858,958	574,648

4. Expenditure

	Cost of raising funds	Consulting	Think tank	Communi- cations	2018 Total	2017 Total
	£	£	£	£	£	£
Staff costs	131,553	821,932	509,420	290,766	1,753,671	1,852,985
Travel & subsistence	5,759	11,785	13,751	497	31,792	17,769
Recruitment & training	293	8,893	4,107	250	13,543	50,024
Partners & associates	494	376,858	169,823	92	547,267	404,616
Subscriptions, publications & data sources	8	1,826	849	4,875	7,558	14,738
Printing & distribution	-	423	601	1,644	2,668	13,166
IT, telecoms & equipment	-	1,341	484	20,357	22,182	29,119
Marketing & PR	1,219	13,306	15,105	31,232	60,862	64,680
Grant-making	-	105,157	166,853	-	272,010	111,901
Other direct costs	223	13,819	5,007	412	19,461	18,747
Governance						
Staff costs—governance	1,824	15,357	8,754	4,434	30,369	42,340
Audit fees	618	5,209	2,969	1,504	10,300	8,150
Trustee recruitment	450	3,793	2,162	1,095	7,500	-
Other support costs						
Other staff & recruitment costs	1,988	16,747	9,546	4,836	33,117	9,664
Consultants and temp staff	2,567	21,629	12,329	6,245	42,770	29,305
Premises costs	11,097	93,493	53,295	26,996	184,881	172,276
Other office costs	1,420	11,965	6,821	3,455	23,661	27,151
Website & IT	3,526	29,704	16,933	8,577	58,740	59,804
Legal & professional	1,978	16,663	9,498	4,811	32,950	31,166
Bank charges	124	1,045	596	301	2,066	4,325
VAT	2,422	20,394	11,625	5,889	40,330	34,220
Depreciation	483	4,071	2,321	1,176	8,051	-
Total project costs	168,046	1,595,410	1,022,849	419,444	3,205,749	2,996,146
Total expenditure 2017	114,956	1,608,381	908,277	364,532		2,996,146

5. Grant-making

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

	2018 Total £	2017 Total £
UK		
Association of Charitable Foundations	15,000	15,000
Substance	25,500	41,795
IMiX	38,836	-
National Council for Voluntary Organisations	28,200	20,250
Evaluation Support Scotland	19,500	18,000
MU Ventures Limited	11,000	-
the3Million	38,300	-
Community Evaluation Nothern Ireland	18,000	-
British Future	10,000	-
University of Oxford	25,248	-
Grants < £10,000	42,426	16,856
Total grants	272,010	111,901

NPC has a contingent liability, of £81,835.50 relating to future grant payments under the Transition Advice Fund.

6. Net movement in funds for the year

This is stated after charging:

	2018 £	2017 £
Auditors' remuneration		
audit	10,300	10,000
audit fees prior year over accrual	-	(1,850)

7. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2017: £nil) and no expenses were reimbursed to trustees (2017: £nil).

8. Staff costs

	2018	2017
	£	£
Wages and salaries	1,480,816	1,579,035
Social security costs	156,045	167,221
Pension costs	147,179	149,068
Total	1,784,040	1,895,324

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

	2018	2017
	No.	No.
£60,001–£70,000	-	1
£70,001–£80,000	1	1
£80,001–£100,000	-	-
£100,001–£110,000	1	1

The average number of employees during the year was 42 (2017: 41).

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

	2018	2017
	No.	No.
Consulting	14	16
Think tank	7	9
Development	3	2
Communications & marketing	4	4
Executive, operations & strategy	6	6
Total	34	37

The total amounts paid for salaries, fees and expenses in respect of the key management personnel of the charity were £327,902 (2017: £454,884). Key management personnel make up the senior management team, which consists of the chief executive, the chief operating officer, the interim chief operating officer, the director of research and consulting, the director of think tank & external affairs and the director of innovation & development.

9. Related party transactions

Aggregate donations and grants from trustees were £413,000 (2017: £344,850). More information can be found in note 2.

During the year the charity received the following from related parties:

		2018	2017
		£	£
Client	Relationship		
Big Society Capital	One of NPC's trustees is a trustee	-	3,400
Big Society Capital	One of NPC's staff members is a board member	-	3,400
Crohn's and Colitis	One of NPC's staff members is a trustee	-	8,977
Edukit	One of NPC's staff members is an advisor	2,100	-
Alta Advisors	One of NPC's staff members is a board member	9,500	-
Baring Foundation	One of NPC's trustees is a trustee	11,775	-
Skagen	One of NPC's Trustees is a board member	1,995	-

10. 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 £147,179 (2017: £149,068). At 30 June 2018, contributions amounting to £12,010 (2017: £14,215) were payable to the scheme and are included in creditors.

11. Investments

The charity has an investment of £1 (2017: £1) in NPC Trading Ltd. An equivalent amount is shown in creditors.

12. 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:

	2018	2017
	£	£
Net assets	1	1
Funds (represented by one share of £1)	1	1

13. Tangible Fixed Assets

Cost	Computer Equipment	Totals
	£	£
Cost at 1 July 2017	-	-
Additions	37,733	37,733
Disposals	-	-
30 June 2018	37,733	37,733
Depreciation		
Cost at 1 July 2017	-	-
Charge for period	8,051	8,051
Eliminated on disposal	-	-
30 June 2018	8,051	8,051
NBV at 30 June 2018	29,682	29,682
NBV at 30 June 2018	-	-

14. Debtors and prepayments

	2018	2017
	£	£
Trade debtors	187,592	105,252
Provision for doubtful debt	(9,857)	-
Prepayments	51,530	48,362
Donations and fees receivable	195,397	246,543
Other debtors	1,448	1,117
	426,110	401,274

15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	112,838	62,966
Taxation and social security	42,810	42,781
VAT	56,854	73,576
Pensions	12,011	14,215
Deferred income & Accruals	233,396	325,732
Other creditors	3,956	5,005
	461,865	524,275

Deferred income consists of consultancy income billed in advance.

16. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£

Fund balances at 30 June 2018 are represented by:

Investments	1	-	1
Tangible Fixed Assets	29,682	-	29,682
Current assets	940,624	289,591	1,230,215
Current liabilities	(461,865)	-	(461,865)
Total net assets	508,442	289,591	798,033

Prior Year	Unrestricted funds	Restricted funds	Total
	£	£	£

Fund balances at 30 June 2017 are represented by:

Investments	1	-	1
Current assets	1,021,152	173,384	1,194,536
Current liabilities	(524,275)	-	(524,275)
Total net assets	496,878	173,384	670,262

17. 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	Income	Expenditure	at the end of the year
	£	£	£	£
Restricted funds				
Inspiring Impact—collaboration to improve impact measurement practice across charity sector	46,808	222,000	(245,831)	22,977
Data Labs—advocating for and supporting the set-up of a series of data labs by government	33,478	5,000	(38,478)	-
Trusteeship—series of seminars exploring key themes of governance, plus a write up of each event	-	19,450	(12,693)	6,757
Centre for Youth Impact—advisory work for collective impact in youth sector	950	-	(950)	-
Digital Women's Empowerment—identifying high impact opportunities for technology in women's empowerment globally	3,000	-	(3,000)	-
Digital Youth—digital transformation project in the youth sector	14,000	18,000	(32,000)	-
Health Foundation—research into social determinants of health	4,703	45,460	(50,163)	-
John Staes—research into corporate giving	10,559	3,000	(13,559)	-
Lankelly—systems change research and theory of change	6,742	7,625	(14,367)	-
Gov Lab—to explore replication of data labs in US & beyond	-	4,973	(4,973)	-
Homelessness – research into trends and sector interventions	-	30,000	(19,258)	10,742
Criminal Justice – to build on the findings of our previous publication Beyond Bars	-	63,250	(8,580)	54,670
Mergers – to explore the pros and cons of mergers within the sector	-	95,200	(95,200)	-
Transition Advice Fund (Programme Management	-	49,150	(27,082)	22,068
Transition Advice Fund (grants)	-	295,850	(147,414)	148,436
Impact Management Programme small grants	53,144	-	(29,203)	23,941
Total restricted funds	173,384	858,958	(742,751)	289,591
Total unrestricted funds	496,878	2,474,562	(2,462,998)	508,442
Total funds	670,262	3,333,520	(3,205,749)	798,033

17. Restricted and unrestricted funds (continued)

Prior Year	At the start of the year £	Income £	Expenditure £	At the end of the year £
Restricted funds				
Inspiring Impact—collaboration to improve impact measurement practice across charity sector	7,668	237,500	(198,360)	46,808
Data Labs—advocating for and supporting the set-up of a series of data labs by government	86,976	-	(53,498)	33,478
Faith—research paper into faith-based charities	16,040	-	(16,040)	-
Data in Philanthropy—research into potential of open data in grant-making	13,380	-	(13,380)	-
State of the Sector—research into key opportunities and challenges for charity sector	5,000	43,500	(48,500)	-
IP Project—innovation in information sharing by charities	3,120	-	(3,120)	-
Research into the RS Macdonald Charitable Trust's funding themes	-	18,563	(18,563)	-
Trusteeship—series of seminars exploring key themes of governance, plus a write up of each event	-	15,080	(15,080)	-
Centre for Youth Impact—advisory work for collective impact in youth sector	-	1,950	(1,000)	950
Digital Women's Empowerment—identifying high impact opportunities for technology in women's empowerment globally	-	20,000	(17,000)	3,000
Digital Youth—digital transformation project in the youth sector	-	15,000	(1,000)	14,000
Innovations In Measurement—research and publication on the key innovations in measurement	-	43,000	(43,000)	-
Health Foundation—research into social determinants of health	-	50,000	(45,297)	4,703
John Stares—research into corporate giving	-	24,850	(14,291)	10,559
What Maes a Good Charity publication	-	5,000	(5,000)	-
Lankelly—systems change research and theory of change	-	24,205	(17,463)	6,742
Gov Lab—to explore replication of data labs in US & beyond	-	6,000	(6,000)	-
Impact Management Programme small grants	-	70,000	(16,856)	53,144
Total restricted funds	132,184	574,648	(533,448)	173,384
Total unrestricted funds	497,313	2,462,263	(2,462,698)	496,878
Total funds	629,497	3,036,911	(2,996,146)	670,262

18. Financial commitments

As at 30 June 2018 the charity was not committed to making any payments under non-cancellable operating leases. Subsequent to the financial year end the charity entered into an operating lease for new office premises. Further detail is provided in the post balance sheet events note below.

19. Post balance sheet events

Subsequent to the financial year end the charity entered into an operating lease for new office premises. The lease term is 1 August 2018 to 31 March 2021. The annual rent is fixed at £155,000 for the duration of the lease term and is payable quarterly in advance. This was an assignment of an existing lease therefore upon completion the charity received a premium payment of £101,160 including VAT and assumed responsibility for make good costs at the end of the lease term estimated to be £55,183 including VAT. Both of these transactions will be accounted for in the financial year ending 30 June 2019

Subsequent to the financial year end the charity entered into a new 3-year grant agreement with the Big Lottery Fund. The total grant is £600,000 to fund further work on the Inspiring Impact programme.

18. Detailed comparatives for the statement of financial activities (2017)

	Notes	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
INCOME FROM					
Donations and legacies	2	625,487	-	625,487	617,735
Charitable activities					
Consulting	3	1,733,131	83,643	1,816,774	1,517,117
Think tank	3	-	491,005	491,005	397,871
Communications	3	98,773	-	98,773	135,663
Other trading activities		4,723	-	4,723	6,415
Investments		149	-	149	353
Total income		<u>2,462,263</u>	<u>574,648</u>	<u>3,036,911</u>	<u>2,675,154</u>
EXPENDITURE ON					
Raising funds		114,956	-	114,956	93,147
Charitable activities					
Consulting		1,474,831	133,550	1,608,381	1,356,774
Think tank		508,379	399,898	908,277	749,776
Communications		364,532	-	364,532	417,470
Total expenditure		<u>2,462,698</u>	<u>533,448</u>	<u>2,996,146</u>	<u>2,617,167</u>
Net (expenditure)/income for the year before transfers		<u>(435)</u>	<u>41,200</u>	<u>40,765</u>	<u>57,987</u>
Balance brought forward at 1 July		<u>497,313</u>	<u>132,184</u>	<u>629,497</u>	<u>571,510</u>
Balance carried forward at 30 June		<u>496,878</u>	<u>173,384</u>	<u>670,262</u>	<u>629,497</u>



TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which 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.

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 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 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. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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