



Annual Report 2018/19

New Philanthropy Capital

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 sets 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.

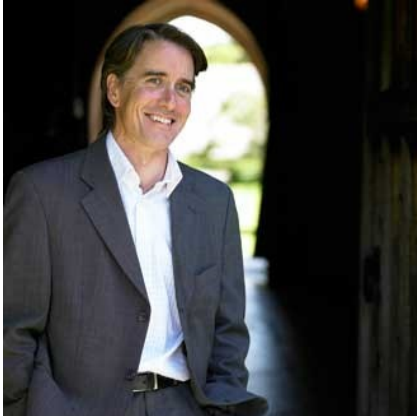


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Introduction from our Chair



Transforming the social sector

Our vision is for a social sector that makes the most of its resources to achieve the greatest impact for as many people as possible.

It's hard to ignore the problems our country faces. Brexit and austerity have exposed divisions by class, politics, geography, age, gender, race, health, religion, and culture. Taking this on is what our sector does. To succeed, charities, funders, philanthropists, social enterprises, impact investors, businesses, government and community groups must share the optimism that change happens, and be equipped to make it happen.

Every day, through the clients we work with and the events we run, NPC sees first hand the great work happening across the country. But we also see the challenges. How do you decide where to target your resources without a solid theory of change? How do you know if it's working if you can't measure your impact? And how do you make the most of the latest approaches to achieve social change without a framework to model on?

These questions matter. We see our role as enabling charities and their funders to address these questions to help them do their best work. So we're going to keep offering market-leading support through our consultancy work, our think tank research, and our exciting events package. We challenge as well as advise, pushing people beyond their comfort zones, because we believe the social sector has to lead change not just keep up with it.

In doing so, we hope to help the social sector achieve more impact, thereby transforming the lives of more people. So if you're striving for social good we'd love to work with you. Find out more about our consulting offer on our website or come along to one of our events or training sessions. If you share our vision for improving the sector then support what we do, join our Supporters' Circle or sponsor a think tank project.

And if you're passionate about making an impact then come and work for us. We hire fantastic people from all kinds of backgrounds, as consultants, researchers, innovators, policy and communications professionals, and HR and finance professionals. We're keen to grow our diversity of skills and experiences, so head to our website and check out our vacancies.

The world never stands still and we won't either. It's been a delight to lead NPC's board this year, my first as Chair, and I have every confidence that NPC will continue to drive impact, support bold leadership, champion new approaches, lead debate, and challenge people to move beyond what's comfortable. I'd like to express my gratitude to all of our supporters, our clients, our trustees and our staff for their continued dedication to making the social sector the best it can be.

Vaughan Lindsay, Chair of Trustees

Introduction from our CEO



Doing more to help people live better lives

The need for charities and social organisations of all kinds is growing. As the context in which they work shifts, the interventions they provide must adapt. In such a world, the need for NPC to support and cajole the sector to do the best it can, is needed more than ever.

Our new strategy makes this even clearer by moving the centre of gravity of our work towards creating a better world for people and communities let down by failing systems or unfair circumstances.

We are paying special attention to innovative approaches on place, user involvement, digital and systems change which we think will be transformative. Meanwhile we're refreshing and sharpening up our core work on [theory of change](#), strategy, data, impact and philanthropy. We're sharing what we learn to shape the way we think as a sector about burning issues like homelessness, health, criminal justice, and children and young people. And as an independent voice we are unafraid to speak the truth, however uncomfortable it may be, on whatever is getting in the way of the sector having the impact it could.

We are delighted to have worked on many high profile projects in the last year. These include running the learning and evaluation strand of the government's [Building Connections Fund](#), which looks at how loneliness can best be tackled, and being the evaluation partner for the [Youth Investment Fund](#). We have worked with major charities, like Diabetes UK, to help them become more impactful. And we have worked with funders like the place-based Harper Trust and the Friends Provident Foundation, to help ensure their grant making is achieving what is intended. We are also becoming increasingly involved in impact investing, trying to ensure that it does indeed produce social impact.

But more than this, day to day our resources and events, many of them free to access, equip charities and funders of all sizes with the practical skills and knowledge needed to assess and increase their effectiveness.

And as the think tank for the sector, we're pushing for better structures and processes to help the charity sector be effective today and in the future. We produce, highlight and encourage innovation and raise the bar by sharing best practice. We bring charities, funders, philanthropists, social enterprises, impact investors, businesses, government and community groups together to collaborate, consider key issues and adapt to the changes of tomorrow.

I would like to thank all our staff who make any of this possible. They really are outstanding, not just in their dedication and passion, but in their skills also. Thanks too to our trustees, especially to our former Chair, Richard Atterbury, and to our current Chair, Vaughan Lindsay, both of whom are a pleasure to work with. Most of all, thank you to everyone in the social sector, who every day strive to create the impact our society needs.

Dan Corry, Chief Executive



Our year at a glance



In 2018/19 we worked with **103** consulting and think tank clients, including charities, trusts and foundations, philanthropists, businesses and government departments. Our clients range from household names like Diabetes UK to much smaller organisations and private donors. We believe in working with clients over several years to help them deliver long term sustained impact, so we're delighted that **56%** of our clients this year were repeat business.

Alongside our client work, we ran **29** public [events](#), involving approximately **1,500** delegates from organisations of all different shapes and sizes. A third of our events are free, making them more accessible for smaller charities. Meanwhile, our [Inspiring Impact](#) collaboration has delivered **24** free peer learning events, reaching **400** people working for small charities across the UK. Our events receive overwhelmingly positive feedback, and we are working hard to improve our diversity of speakers and attendees. Our Brexit series was a chance for us to lead the social sector's thinking on how we should respond to political change.



We've shared cutting edge thought leadership through our work on [theory of change](#), [innovative approaches](#), and [key topics](#) where we feel we can add unique value. We've drawn attention to core sector trends through our [Snapshots of the Sector](#), and we've championed best practice in diversity through our two part [Walking the Talk](#) series. Our website had **501,595** page views from **123,975** users. Within this, our resource hub had **139,314** page views, and our blog had **66,835** page views. Our twitter followers grew by **1.6k** to **22k**.

What people say about us

We ask all our clients for feedback about the quality of our work. The overall response rate this year was 25% and we aim to improve this going forwards. Our clients who responded rated us:

8.4/10

Quality of output

8.6/10

Relationship management

8.3/10

Project management

92.9%

of respondents said they were quite likely or very likely to make changes as a result of our work.

We also run an open summer survey, to get a sense of our wider impact across the sector. Quotes from this survey are included throughout this report. Finally, we asked our staff what they thought of us. We are delighted that for the fourth year running, **90%** of our staff said NPC is a **good** or **very good** place to work.




Our objectives, activities and impact

We set out to achieve five things for the sector in 2018/19:

- 1) Develop impact management resources and help the social sector to be guided by the evidence of what works.
- 2) Inspire and support bold leadership which prioritises impact.
- 3) Help the social sector move from 'in principle' to 'in practice' on user-involvement and diversity.
- 4) Provide a challenging and independent voice to improve debate and avoid groupthink.
- 5) Challenge funders to move outside their comfort zone.

We also set three objectives for ourselves:

- 1) Share a clear, compelling and influential narrative, and measure our impact in the sector.
 - 2) Establish an integrated and flexible operating model, making the most of everyone's knowledge, skills and talents to achieve our goals.
 - 3) Build our financial strength so we can lead on innovation and policy.
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1) Develop impact management resources and help the social sector to be guided by the evidence of what works

Objectives

What we set out to do:

Last year we persuaded funders that we should bring together [Inspiring Impact](#) and the Impact Management Programme to create a new combined initiative. We wanted to offer 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 also wanted to refresh our NPC materials on impact measurement and theory of change, and to continue to develop our work on impact assurance for impact investing.

Activities and impact

How we met the challenge:

Inspiring impact: As promised, we brought together the [Inspiring Impact](#) and Impact Management Programme to create a new combined initiative. We're collaborating with [partners](#) and [Impact Champions](#) across the UK, offering free support to charities and social enterprises. It includes online tools and peer learning via face-to-face events, webinars and an online forum, funded by the National Lottery Community Fund. We launched a [new Inspiring Impact website](#), attracting 2,583 users in its first month (up 25%) with 11,000 page views (up 65%). Our 24 peer learning events reached over 400 people across all of the UK, bringing together senior leaders, evaluation practitioners and frontline staff to improve their impact measurement.

Impact measurement: Impact measurement is integral to our work. A prominent example is our consulting work with the [Centre for Youth Impact](#) to evaluate the [Youth Investment Fund](#). This is the biggest shared measurement project in the UK charity sector ever, with around 90 youth projects involved. We published our interim learning and insights reflecting on our [evaluation approach](#) and measuring the [economic value of youth programmes](#). We co-designed a shared theory of change and evaluation framework for the [Youth Investment Fund](#), launched an online platform to collect common data from over 90 organisations, and provided training and support. 95% of grant-holders are satisfied with their involvement and two thirds have improved their understanding of how to measure the impact of open access youth work.

We continue to run our Leading Impact seminar series, covering a range of topics from survey design to data collection and impact reporting. We welcomed 168 delegates, with 89.9% of those giving feedback describing the seminars as good or excellent.

Theory of change: Theory of change underpins much of our work. We held four theory of change training sessions and three measurement training sessions, attracting 64 delegates with 91% of those giving feedback rating the sessions as good or very good. We've learnt a lot from our experience working with charities and funders, so in 2018/19 we updated our guidance to reflect our current thinking. Our new [ten step guide](#) launched in the first quarter of 2019/20.

Impact investing: Impact Investing is an increasing focus area for NPC. We continue to contribute to industry standards, such as our work incorporating stakeholder voice on [IRIS+ impact measurement](#). We are the impact partner for a number of UK-based funds including the [SIS Ventures Fund](#). This involves supporting the fund to develop an impact framework, conducting impact due diligence on potential investments and providing impact measurement support to SIS investees post-investment. A key example of our work over the past year is our review of the US-based Propel Capital's ten years of impact investments.

‘How exciting to see the launch of the new @InspiringImpact website! A great central place for all the essential impact info, with lots of interesting & useful evaluation material.’

Hannah Ormston, Royal Society of Edinburgh (via Twitter)

‘We’ve developed and used an Impact Measurement Framework, developed with support from NPC. We’ve rolled it out for the first time this year and found lots of lessons to learn and changes for next year. But, at least we’re started.’

Summer survey

‘[NPC] has helped us embed a stronger culture throughout the team of thinking about outcome/impact rather than just activity.’

Client feedback survey

‘I attended an event on developing a learning culture... and I am aiming to implement some of their practical advice in my organisation.’

Event feedback

‘[NPC has] kept impact and impact measurement at the forefront of our thinking and planning.’

Summer survey

Case study: Helping charities create their theory of change

Creating a theory of change is one of our core offers to charities and funders. Through our think tank work we provide free guidance, through our communications work we run group training events, and through our consultancy work we provide bespoke guidance and facilitation. In this case study, we share the work we did with Roald Dahl's Marvellous Children's Charity to enable them to maximise their impact.

The challenge

Roald Dahl's Marvellous Children's Charity (RDMCC) is a nationwide charity that supports seriously ill children and their families - founded by the widow of the famous children's author who gave his name to the charity. RDMCC came to NPC when they were at a crossroads. They wanted to put seriously ill children at the heart of everything they do and maximise their limited resources by measuring their impact. We worked closely with them to create a child-focused vision, mission and values and then built on this to produce an organisational theory of change.



The approach

NPC worked with RDMCC to understand what they had done historically, then we examined the current situation and used this as a basis for a workshop design. We then worked with the board of trustees to redesign their vision, mission and values to reflect their focus on seriously ill children. Once we had reached consensus on this, we convened a mix of RDMCC's internal and external stakeholders (including staff, trustees, parents of seriously ill children, Roald Dahl NHS specialist nurses and a funder) and began to guide the charity through the theory of change process. NPC then synthesised the outputs from the workshops and produced an organisational theory of change and an accompanying narrative for the organisation to use.

The result

RDMCC found the process extremely helpful and the theory of change has given them clarity and focus on what they need to achieve. It has enabled them to put seriously ill children at the heart of what they do and build from there. The charity is now using the theory of change as a basis for its new strategy, and are already using it as the framework for the measurement and evaluation of its programmes in the near future.

'NPC provided the sounding board and the facilitation we needed. Their constructive questioning and useful suggestions gave us added confidence to push forward with this work.'

Louise Griew, Chief Executive, RDMCC

Case study: Developing a learning organisation

We don't think any charity can afford to sit still. In this case study, we share how we helped Diabetes UK to continually learn from their impact, and embed learning into their organisational culture.

The challenge

Diabetes UK aims to support and campaign for people affected by diabetes, prevent Type 2 diabetes, and fund research that will one day lead to a cure.



The charity approached NPC to help them to understand how to improve their impact practice and become more of a learning organisation. With a new strategy being developed, and an appetite throughout the organisation for a more strategic approach to understanding and measuring impact, this was an opportune time for reflection.

Diabetes UK recognises that becoming more of a learning organisation will help them to improve outcomes for people affected by and at risk of diabetes more effectively, understand what works, allocate resources, and tell their story to supporters, partners and funders.

The approach

NPC worked closely with Diabetes UK to understand their current approach to impact practice, getting to know the organisation at all levels. We reviewed key documents and carried out interviews and focus groups with staff from across the organisation. From our findings we developed recommendations of how to take things forward on both practical and cultural levels.

The result

Since working with Diabetes UK, they have begun implementing our recommendations. This has included refreshing their strategic outcomes, ensuring they cover the range of ambitions of people affected by and at risk of diabetes. They are now developing their approach to impact practice to underpin delivery of these outcomes and support ongoing learning and improvement. NPC is continuing to support them through this implementation period as a critical friend to their senior team—reviewing their progress and challenging assumptions. Alongside this, we're supporting teams to think about how to embed good impact practice, addressing the cultural as well as the practical elements.

'NPC's insight, experience and practical advice is helping us to re-focus our organisation so we can continue to improve our approach to achieving outcomes that matter to people affected by and at risk of diabetes. Their thoughtful and flexible approach to working collaboratively and supportively with us as a critical friend during this key time for the organisation has been incredibly useful and well received at all levels of the organisation.'

Louise Russell, Head of Strategy and Planning, Diabetes UK

2) Inspire and support bold leadership that prioritises impact

Objectives

What we set out to do:

We committed to continuing to push for a new approach to digital technology and data in the social sector, built on collaboration, openness, and user-centred approaches.

Activities and impact

How we met the challenge:

Digital: This year we built upon our previous work on [Developing your digital roadmap](#). Our consulting work with Nominet investigated how charities can use digital to [support children's mental health services](#). 78 people came to our launch event, and we used what we learnt to engage with the government's [Online Harms White Paper](#). We urged the government to build on what already exists, to view online harms across policy contexts, and to set up a 'What Works' network for online safety.

Data: We continued to make the policy case for [Data Labs](#), publishing an update on our progress after year end. The success of the Justice Data Lab proves the concept is viable with the right funding and support, so we are now pushing for similar Data Labs for employment, education, and health. Through our [Data Labs](#) work we have developed strong working relationships with key policy figures in government and the civil service, particularly in the Ministry of Justice and the Department for Work and Pensions. We are making solid progress and have also seen interest internationally in this work.

User involvement: Our ongoing consulting work with the [£11.5m Building Connections Fund](#) is capturing the impact of the Fund on reducing and preventing loneliness. We are supporting grant-holders to build their co-design and evaluation capabilities, and are currently implementing a co-designed shared evaluation with cohorts of grant-holders. It is too early to report on the impact of this work, but we hope to be able to start doing so next year. For more on our work on user-involvement, including the launch of [Make it Count](#), see Objective Three.

Governance: We continue to partner with the Clothworkers' Company to support and promote the [Charity Governance Awards](#). The awards shine a spotlight on the best examples of good governance across the sector, demonstrating how effective governance can transform the impact of a charity on the lives of its beneficiaries. Helping trustees develop strategy is a core part of our consulting offer. In addition, our free trustee seminars this year included using impact data, embracing digital, and taking risks. 223 delegates signed up. 96% of those giving feedback said the seminars were useful or really useful, 60% of whom were from small charities with turnover under £1million. Our trustee seminars are funded by the Clothworkers' Company.

NPC Ignites: Each year we host a conference for sector leaders, future leaders, and impact professionals to network, share good practice, and debate the emerging issues facing the social sector. 229 delegates attended our 2018 conference. NPC Ignites is now a popular and permanent feature of the sector calendar. A key theme of 2018 was mergers. Our research on methods of merging, [Let's talk mission and merger](#), busts myths and makes recommendations for charities, funders, and regulators to enable mergers to be successful and help the sector move away from seeing them as takeovers.

‘[NPC] generated ideas that I can take back to my organisation.’

Leading Impact attendee

‘[NPC] helped us develop an impact framework, in particular proposing the five uses of data and also the way in which we might measure service user progress, especially where only subjective assessments are possible. This has helped us define our approach to monitoring and has led to a project over the last year to embed this within our day to day practice.’

Client feedback survey

‘[NPC has an] evidenced approach to decision-making/strategy, promoting discussion and debate.’

Summer survey

‘You planned the session well and delivered relevant content with authority and confidence.’

Client feedback survey

Case study: Helping charities embrace digital

The challenge

Media Trust works in partnership with the media and creative industries to give charities, marginalised groups and young people a stronger voice, by encouraging industry volunteers to share their time and expertise. By connecting charities with the media and creative industry, Media Trust helps non-profits develop skills, create powerful content, and amplify their voices and impact to connect better with their audiences so that society benefits more from their work.



Media Trust launched a digital skills training programme in partnership with Google Digital Garage, comprising of masterclasses, mentoring, and an online resource hub, to build the UK charity sector's digital communications capabilities.

The approach

We worked with Media Trust to develop a theory of change (TOC) for their digital skills training programme. This involved unpicking what makes Media Trust's offer distinctive and likely to achieve lasting impact. The TOC focuses on the individuals and organisations it works with directly, but also captures outcomes for policymakers and the media and creative industry. By building the skills and digital confidence of charity employees, Media Trust seeks to drive engagement with digital communications so charities use more digital tools and platforms, implement digital strategies and engage with digital mentors. These outcomes will lead to policy makers engaging more with the need for digital skills for charities, and the media industry developing more digital solutions for the third sector. The TOC revealed that wider audiences are fundamental to achieving the programme's goals.

Sustainability and collaboration are key components. The masterclasses, mentoring and resource hub are intended to complement and reinforce each other. Further learning and development for participants are an important outcome. Media Trust expect increased demand for training to drive further collaboration with the industry. Collaboration across the sector will increase efficiency and impact, as organisations share learning on mutual challenges. Collaboration will also enable Media Trust itself to deliver more and better services.

The result

From the TOC, Media Trust prioritised outcomes relating to confidence, motivation, knowledge, skills, and use of digital tools and platforms. These form the basis of a framework for impact measurement. Media Trust have subsequently used the TOC and data collected to demonstrate the need for and impact of free, accessible and tailored digital communications skills programmes for the charity sector. They used this to secure further funding for a Digital Leadership Programme, focusing on building civil society leaders' digital communications strategy. They launched two new digital solutions with Facebook, including an e-learning pathway and Facebook for Social Good Masterclass for charities. A key learning was the importance of expert mentoring and local partnerships in supporting charities to embed and implement learning in their organisations. Based on this, Media Trust is now seeking funding to grow their digital volunteering programme, matching local digital volunteers with charities post training.

'It gave us a really strong framework and foundation from which to evaluate our work—not only the impact on individual programme participants and their skillsets and confidence but also how the programme is contributing to the wider UK charity sector's digital capabilities.'

Su-Mei Thompson, CEO, Media Trust

Case study: Theory of change for programme development

The challenge

Mental Health UK (MHUK) brings together four national mental health charities—its founding partners are Rethink mental illness; Support in mind Scotland; Hafal; and Mind Wise. In early 2019, supported by a corporate partner, MHUK had an opportunity to develop a school-based programme focused on mental health resilience for young people through life's transitions.

MHUK engaged NPC to facilitate discussions about programme objectives and outcomes, and to develop a theory of change which could be used to guide the programme's pilot phase.



The approach

NPC worked closely with colleagues at MHUK to understand the context for programme development. This included understanding insight from user research into the needs and priorities of young people's mental health resilience, and the landscape review of current provision undertaken by MHUK staff. Building on this, NPC designed a full-day workshop session which encouraged participants to engage with different stakeholders—young people, teachers and the leadership teams of schools and colleges. The workshop had a range of perspectives, including staff from MHUK's four founding partners as well as young people. Through the workshop, participants reached a shared definition of resilience and developed the goals of the programme, as well as identifying outcomes for different stakeholders.

Following the workshop, NPC developed the outputs of the workshop into clear theory of change diagrams and a concise narrative covering the key aspects of discussions.

The outcome

Workshop discussions provided MHUK with a clearer strategic direction on some key questions, including the focus of the programme and the practicalities of implementing it. This provided MHUK with a more robust basis for programme design. The diagram has provided MHUK with a clearer narrative through which to articulate the goals and approach of the new programme, and a basis for establishing performance indicators through the pilot phase.

'Working with NPC allowed us to develop a sound understanding of what was required to implement the programme throughout the UK. Through a well organised and facilitated workshop, we were provided with clear strategic direction and robust outcomes measurements for the programme.'

Enda Egan, Head of Bloom, Mental Health

3) Help the sector move from ‘in principle’ to ‘in practice’ on the issues of user-involvement and diversity

Objectives

What we set out to do:

We committed to 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.

Activities and impact

How we met the challenge:

Diversity: Our original [Walking the Talk on Diversity](#) research, authored by Professor Amina Memom, was followed by debates on embracing diversity and culminated in the launch of our [Walking the Talk](#) think tank project shortly after year end. This was a cross sector partnership with Trustees Unlimited, Russam GMS and Brap to amplify voices, share practical advice and personal perspectives to empower the social sector to step up and do better on diversity. Our collection of podcasts and guest blogs grappled with questions of sharing power, sharing responsibility and intersectionality.

[Walking the Talk](#) developed the conversation on diversity in the social sector, which we are building on through our events. Most charities and funders recognise the value of diversity, and our work on in this area is establishing NPC as a leading voice in practical advice. Our podcasts, guest blogs, and follow-up events are amplifying the voices of smaller charities, ensuring the debate is representative of the sector as a whole. This work laid the foundations for future events, including a trustee seminar in 2019/20 on diverse governance and a panel debate at NPC Ignites 2019.

You can read more of our work to improve our own diversity and inclusion later in this report.

User-involvement: On user-involvement, in addition to the work mentioned for Objective Two, we launched [Make it Count: Why impact matters in user involvement](#) at NPC Ignites 2018. This think tank work argues for a greater focus in the social sector on what user involvement aims to achieve, and better efforts to evidence the difference it can make. We also released a guide to [implementing and evaluating effective co-design](#) on the 1st of July, based on what we learnt from our consulting work on loneliness, funded by DCMS.

Our consulting work with the Mohn Westlake Foundation on [engaging young people in arts and culture](#) championed the role of young people as decision makers and highlights the importance of diversity. We think that in implementing our framework the arts could blaze a trail for the rest of the social sector to follow. This was a long-running project; most of the research was conducted in 2018/19 but it launched after year end. We produced a full suite of resources to communicate this work, including a podcast, video, summary and guest blogs. This project demonstrated our ability to manage a full range of outputs, which we are keen to take forward in our [State of the Sector](#) work.

‘[NPC is] a critical friend, and challenges people and organisations in a constructive way.’

Summer survey

‘[NPC] presents modern thinking in an authoritative way to help me convince the old boys on my trustee board.’

Summer survey

‘[NPC] helps frame the debate around certain issues.’

Summer survey

‘A highly topical report from [@rosiemc1eod](#) on what the evidence says about user involvement.’

@OliverStanding, NPC Ignites attendee (via Twitter)

‘[Working with NPC] offered an opportunity for honest feedback...’

Client feedback survey

Case study: Twitter reactions to #WalkingTheTalk

Walking the Talk started a conversation in the social sector. Here are some of the reactions we received on social media:

'What young working class people hear when charities speak tells us we have a diversity problem. The @NPCthinks / @TrusteesUnltd series is great on what steps we can take to fix it (inc thoughts from us @RECLAIMproject)#Walkingthetalk'

Roger Harding, Reclaim Project

'One of the key themes from the #WalkingTheTalk initiative is around the value of lived experiences. Urge you to check out these interviews from .@TheNelsonTrust which includes practical tips on how to improve #diversity in your organisation.'

Trustees Unlimited

'Spent the weekend going through these resources - so many practical suggestions about what has worked (and lots of honesty about what hasn't). Hugely useful for anybody interested in improving the culture of our movements and organisations. #WalkingTheTalk'

Kirsty McNeill, Save the Children

'Some great podcasts, articles, and think-pieces in this collection. A must read for anyone working in the charity sector. Well done @NPCthinks @chwaraeteg @RussamGMS @PeelInstitute and @TrusteesUnltd!'

Brap (Equality Charity)

This work predominantly took place in 2018/19, but was released in July, just after year end.

Case study: The Youth Investment Fund

The challenge

The £40 million [Youth Investment Fund](#) was set up by the Department for Digital, Culture, Media & Sport, and the National Lottery Community Fund using National Lottery funding. It aims to help hundreds of thousands of young people across England flourish, giving them the skills they need to be ready for work and to have active, positive roles in their local communities.

The [Youth Investment Fund](#) is supporting groups in East London, Liverpool City Region, West Midlands, Tees Valley and Sunderland, Bristol and Somerset and Eastern Counties. Local voluntary and community youth organisations already do so much fantastic work and this £40 million aims to build on that to enrich the lives of many more young people. It's a long term project, which will continue until 2021.

The Fund includes an objective to strengthen the evidence base on the impact of non-formal learning opportunities for young people.

The approach

NPC and the [Centre for Youth Impact](#) are developing and testing new approaches to impact measurement, working in partnership with grant-holders and the young people they work with. Our aim is to complement traditional outcome tracking with other types of data that also matter to frontline staff and young people. By focusing on the quality of provision, engagement and young people's feedback, data collection can improve services, build relationships, as well as potentially predict likely impact alongside tracking changes in outcomes. This is the biggest shared measurement project in the UK charity sector ever, with around 90 youth projects involved.

The result

This year we published our interim learning and insights reflecting on our [evaluation approach](#) and measuring the [economic value of youth programmes](#). We co-designed a shared theory of change and evaluation framework for the [Youth Investment Fund](#), launched an online platform to collect common data from over 90 organisations, and provided training and support. 95% of grant-holders are satisfied with their involvement and two thirds have improved their understanding of how to measure the impact of open access youth work.

'Working with NPC and the Centre for Youth Impact over the last 18 months has been fantastic. The skill of the guys involved as well as their openness to listen to us as the youth sector has been really refreshing and encouraging. Probably most exciting is the potential the Youth Investment Fund has to determine a new national narrative for the value of open access youth work as well as create a new Impact Measurement tool for the sector to use. It has been a real privilege for us to be involved and we are really excited about what the next year will bring'

Dave Hannah, Youth Work and Operations Director, The Mix

4) Provide a challenging and independent voice to improve debate and avoid groupthink

Objectives

What we set out to do:

We decided to 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.

Activities and impact

How we met the challenge:

Place: To put theory into practice, we created a new network of social sector leaders through our [Pledge on Place](#) initiative, advocating for a shift in thinking on how we approach place-based working. Notable signatories included Save the Children, Shelter, and the NSPCC. We developed a collection of good practice examples through our consulting work, which allowed us to publish our [Framework for Place](#) after year end as part of our think tank work. This framework sets out clear definitions and guidance of what place-based funding is all about. Through our Pledge of Place network, our recently published framework, party conference events, and our growing number of place-based client projects, we are demonstrating that the social sector is part of the game, and that place is not just the role of the public sector.

Criminal justice: Our [Beyond Bars](#) think tank series explored how charities are making an impact in the criminal justice sector. In the run up to the main publication we hosted our first podcast and released a series of interim reports. This enabled us to reach a wider audience and keep them engaged. Our reports made strong recommendations to funders for how and why they should support criminal justice charities. Our [Beyond Bars](#) project culminated in a successful launch event, with many vital stakeholders present. Our key funders and charity stakeholders have told us how this work has influenced strategic discussions around their criminal justice programmes. Similarly our statutory contacts have told us how this work has built the case for engaging with the charity sector around prisons. We're delighted to have reinforced NPC's position as a leading voice, thereby building a strong foundation for our next criminal justice project.

Homelessness: We hosted a series of roundtables and published a guide on [why and how you should fund systematically](#), along with new data analysis of trust and foundation funding for homelessness. We presented to London Funders' Research and Evaluation Network, challenging and supporting them to take a systemic approach. This is an ongoing think tank project, for which we are now looking at practical ways to take our recommendations forward with charities and funders. We recently ran a theory of change workshop for Homeless Link, the national umbrella body for homelessness charities, which demonstrates the respect shown for our expertise by the sector.

Snapshots of the sector: Our [Snapshots of the Sector](#) series brought together the views of sector leaders on six topical areas: Brexit, trust, involvement, contracts, diversity, and place. These snapshots built on our previous [State of the Sector](#) work which we will be repeating in 2020.

‘NPC had good contacts at the right level, and brought them together for a useful consultation.’

Client feedback survey

‘NPC promotes a certain perspective on what the charity sector should be about and should be doing - namely focussing on their impact - with honesty. This provides a voice for and encourages people who have a similar views in the sector but who do not have access to the audience that NPC does.’

Summer survey

‘The whole process stimulated lots of useful conversation and thinking for us as a team in-house.’

Client feedback survey

‘[NPC] has valued insights into a range of sectors and practices, has broadened thinking and introduced new ideas.’

Summer survey

Case study: Our Pledge on Place

Up and down the country, charities and the wider 'social sector' bind society together. They make thriving, healthy and happy communities. More than just streets or towns, they make places. Focused on their causes, many social organisations have seen this place making power as a by-product of their other work, if they have seen it at all. But in a time of economic, political and social dislocation, a growing number are grappling with the concept of place as a key plank of public policy.

We are a group of charities, think tanks, social infrastructure and umbrella organisations that want to rethink how the social sector works with partners, communities and the causes we champion. We believe engaging with people in the places they live and build communities improves the social sector's efficacy, accountability and legitimacy—and maximises both our social impact and mission. We have come together to advocate and begin to campaign for a broad shift in thinking towards more meaningful forms of place-based social change and transformation, adding our voices to the growing chorus of local government and progressive business figures calling for the same.

Service development, delivery and collaboration with local people to meet the needs of place (as opposed to providing a service that is then offered to places) is the key. This comes naturally to some social sector organisations. For others it will require learning, work and support, which we pledge to offer. It will mean taking on new responsibilities in the organisation of local places, the partnerships and strategies that underpin them. It will also require fresh, collective thinking about the long-term future of commissioning and public service markets, stretched to their limits after nearly a decade of austerity. As a group, we are committed to learning from those who are doing it and helping those who aren't. We will use our organisations to innovate, disseminate best practice and share knowledge in the process. Our organisations are already working on a range of place-based initiatives. Over the course of 2019 we will:

- Discuss how to better shape and agree the place agenda with partners, policymakers, funders and local people;
- Make the case for a range of models of place-based organisation, leadership, partnership and delivery and try to understand if there are common features which make them effective;
- Encourage better sharing and utilisation of data across the sector—and between the social, public and private sectors more widely;
- Think about how we can work better together to overcome the ongoing effects of austerity on the sector, including the potential for reforming commissioning processes and realising the aspirations for collaborative commissioning in the 2018 Civil Society Strategy;
- Share what exists and encourage new, locally developed, tools that can be used by communities, councils, businesses and charities to build and renew their place networks from the ground up, and disseminate existing ones;
- Agree priorities for re-investment in social infrastructure—and how we can help bring this about; and
- Promote the need for social sector improvement, including new models of support for small-to-medium charities provided by large charities, other social organisations and the private sector.

Signed:

Nathan Yeowell, NPC	Paul Perkins, Save the Children	Polly Neate, Shelter
Jane Ide, NAVCA	Joanne Cholerton, 3SC	Paul Morrish, LandAid
Kathy Evans, Children England	Tom Neumark, Peel Institute	John Miles, Kilburn Older Voices Exchange
Andy Melia, Business in the Community	Jon Brown, NSPCC	Alison Page, Salford CVS
Oonagh Aitken, Volunteering Matters	Caroline Slocock, Civil Exchange	Darren Knight, Bolton CVS
Kristina Glenn, Islington Giving	Rhidian Hughes, VODG	Martin Preston, Macc
Arvinda Gohil, Community Links	Alison Navarro, Community Action Sutton	Ben Gilchrist, Action Together, 10GM
David Mortimer, ERSA	Chris Child, Shropshire VCSA	John Tizard, President, NAVCA
Ed Wallis, Locality	Pat Fitzsimons, Basingstoke Voluntary Action	Nicola Frost, Devon Community Foundation
Rachel Rank, 360Giving	Andy Collins, Borderline Voices	Graeme Duncan, Right to Succeed

Case study: NPC Ignites 2018

Each year we host a conference for sector leaders, future leaders, and impact professionals to network, share good practice, and debate the emerging issues facing the British social sector. NPC Ignites is now a popular and permanent feature of the sector calendar.

229 delegates attended our 2018 conference, 72 of whom had already come to previous NPC Ignites conferences.

Our Chief Executive, Dan Corry, used his [keynote](#) to address the sector's geographic discrepancies, and how place-based approaches, a renewed focus on impact, and a Civil Society Improvement Agency could help the social sector serve people better.

A big highlight was Geoff Mulgan, Chief Executive of Nesta. Nesta are one of the most innovative and interesting organisations out there, so it was great to hear from Geoff on the changing nature of power in the modern world, and whether charities can harness the wave of people power seemingly sweeping the globe.

A popular panel event was on how we learn from evaluation. In essence, once we've measured our impact, do we actually do anything with what we've found? Speakers included representatives from the Money Advice Service, Centre for Youth Impact and SafeLives. Ultimately impact is about people. We explored this theme further at a plenary with The Art Room, the Scouts and Friends Provident Foundation on how the social sector should work creatively to achieve change.

Another topical and controversial theme was mergers. We launched our research on methods of merging, [Let's talk mission and merger](#), which busts myths and makes recommendations for charities, funders, and regulators to enable mergers to be successful and help the sector move away from seeing them as takeovers.

NPC Ignites offers a chance for sector leaders to step back, reflect and discuss the big issues. The conference was covered by Civil Society, Third Sector and Pioneers Post, with good engagement on social media as well. We published blogs and audio from speakers and staff, both before and after the event, to draw out the main themes and make it more inclusive.

86% of delegates rated NPC Ignites 2018 excellent or good

'The whole conference was superb.'

Ignites attendee

'An impressive collection of speakers.'

Ignites attendee

Catch up on tweets from the day at: <https://wakelet.com/wake/974d50db-a6ae-41ba-8e2f-4407ee1d5aff>

5) Challenge funders to move outside their comfort zone

Objectives

What we set out to do:

We set out to consider the role of foundations in progressing impact management and promoting further sector-wide discussion on digital, data, user involvement, and place-based approaches.

Activities and impact

How we met the challenge:

Power Dynamics: Our [Power Dynamics Seminars](#) brought together a diversity of funders and charities from across the sector to explore what it means for funders to effectively share, wield and build power. We kept up a running blog of the key debates, keeping the conversation going. Our series kicked off with power dynamics in grant-making. We asked if funders understood their role in the systems that create social issues and challenged them to share their power. Next we discussed three ways to wield power well by making the most of your influence. Finally, we investigated how funders can build up power in the charities they fund. Every event was over-subscribed, with a total of 60 attendees. We've started an important conversation and we're keen to push the momentum. We are bringing together everything we have learnt into a simple guide for funders on how to recognise power dynamics at play and what to do about it.

Systems Change: We've also challenged funders to adopt a systems change approach. Our [Thinking Big](#) report has led to consultancy work, training packages and presentations, including keynote speeches to the Social Research Association policy conference and the IRC WASH 'All Systems Go!' conference.

Following this work, we were invited to a systems change learning exchange with SITRA (the Finnish Innovation Fund) and presented to civil servants who are part of the cross-Whitehall Systems Thinking Interest Group. All this has led to increasing interest from clients, allowing us to support a range of charities and funders to think through how they can best influence systems change. For example, our evaluation of [Friends Provident Foundation's Building Resilient Economies](#) programme led to us being asked to run workshops for their grant holders on theory of change for systems change. We also worked with Standing Together Against Domestic Violence to build their capacity in systems thinking from frontline workers to programme managers and external partners. We helped them to understand how their multi-agency Coordinated Community Response to domestic violence was influencing systems change in West London and beyond.

Transition Advice Fund: Following Britain's vote to leave the European Union, we started working with the [Transition Advice Fund](#) (TAF) to support EU citizens at risk of not getting settled status. We look after day-to-day running of TAF, supporting organisations including the3million, the Migration Observatory, and the Coram Children's Legal Centre. TAF grantees have successfully lobbied to abolish the application fee, shape the settled status scheme, and raise the profile of the issues EU citizens face in securing their rights. We are striving to model best funder practice in how we manage the day-to-day running of TAF.

‘[NPC is] challenging cultures and practices in the sector.’

Summer survey

‘NPC’s sessions on power dynamics in grant-making are exactly the kind of conversations the sector needs...’

Seeds of change are being planted, sometimes by the leaders and trustees of charitable funders themselves. Some are sharing what they do. Some are looking to those around them for support. Others aren’t.

It is vital that we do share our experiences: our highs, our lows! For without radical transparency, I fear we may just remain in the land of ‘yes there are power imbalances, but they’re just too difficult to do anything about!’”

Seminar attendee

‘[NPC] helped us clarify our thinking. Helped us see where we need to be. Helped us address some difficult conversations.’

Client feedback survey

‘[NPC] champions innovation’

Summer survey

Case study: The Transition Advice Fund

The challenge

European citizens and their families living in the UK need to apply for 'Settled Status' to secure their right to stay in the UK once Britain has left the EU. The government's goal has been to create a simple and accessible online system to help people secure their status, but many will need support. If even 5% of those eligible do not apply, 175,000 people will be left without legal status. This will remove their rights to work, access housing and benefits.

Those most at risk of missing out are those already marginalised for other reasons including: children and young people; carers; people with disabilities, long-term physical ill-health or mental health problems; people who have experienced domestic violence or trafficking; those with poor English language skills or facing digital exclusion; and people in care homes.

The deadline for Settled Status applications is June 2021 (or December 2020 in case of a no-deal Brexit). This means time is limited for the charity sector to work with the Home Office to ensure that the scheme is well designed to meet the needs of vulnerable people, and to put in place their own programmes of support for people at risk of falling through the gaps.

The approach

The [Transition Advice Fund](#) (TAF) is a fund established by Unbound Philanthropy, the Paul Hamlyn Foundation, Barrow Cadbury Trust and The Legal Education Foundation, who bring their combined experience of the migration and legal sectors. NPC manages the TAF day-to-day, bringing expertise in strategic philanthropy and policy work. The combination of funding, expertise and dedicated resource means that TAF is able to respond quickly and flexibly to a changing policy environment and a changing advice sector. The short time frame for the Settled Status scheme means that this problem needs this collaborative approach.

TAF aims to ensure that everyone who is eligible can secure their right to Settled Status—particularly those who need help to navigate the process or who risk failing to secure the status.

TAF operates both as a grant maker and as an engaged stakeholder in policy conversations on the Settled Status scheme. We keep up-to-date on the scheme and give feedback to policy makers through two of the Home Office's 'user groups'. We also engage with contacts in government around specific issues, facilitate events to encourage collaboration between stakeholders, build connections to share knowledge and raise the profile of issues with others. The team has published research on Settled Status including 'How the EU settlement scheme affects women and girls' and 'Settled Status: what level of take-up can we expect'. The latter of which was referenced by the Guardian, Daily Express and New Yorker.

The result

TAF's grants have focused on research to identify potential issues with the scheme and identify 'vulnerable' groups, supporting the growth and development of the information and advice sector, facilitating more effective collaboration between civil society groups, and targeted campaigning and policy work on specific issues. This has led to a stronger evidence base around the scheme and those likely to struggle to access it, increased capacity for the sector, and a range of important policy changes.

Major victories including the passing of the Costa Amendment on ring-fencing of citizens' rights in case of a no-deal Brexit and the abolition of the £65 fee for applicants to the scheme. Widespread media coverage of grantees' work helped shape the conversation around Settled Status, with the research still widely quoted and used today. The research also helped to inform the Home Office's development of the scheme to be more conscious of the needs of vulnerable groups.

Case study: Friends Provident Foundation

The challenge

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.

The approach

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.

The result

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

Our objectives for NPC

What we wanted to achieve for NPC in 2018/19:

We set three internal objectives for how we work:

- 1) Share a clear, compelling and influential narrative, and measure our impact in the sector.
- 2) Establish an integrated and flexible operating model, making the most of everyone's knowledge, skills and talents to achieve our goals.
- 3) Build our financial strength so we can lead on innovation and policy.

How our new strategy meets this challenge

Last year's work on these objectives culminated in the launch of NPC's exciting new five year [strategy](#). The strategy is the result of us thinking very hard about our mission and how we add value to the sector, combined with feedback from external and internal stakeholders. We're focusing on the benefits to people's lives that the social sector offers and our role in boosting that. We think it's urgent to ask ourselves these questions, and we believe the whole social sector should do the same because with the many challenges that we face, both new and old, it's clear that what we have been doing up until now will not be enough.

The new [strategy](#) is our plan to make sure that we're effective at transforming the social sector. But transforming for what end and for whose benefit? Sometimes in the past, we've not been good at explaining our mission. It's been too abstract and has sometimes left people feeling as if we were attacking or lecturing them. We're not. We're here to help. So how does NPC, a consultancy and think tank with a unique mission of working to increase impact across the social sector, contribute to overcoming the challenges which Britain faces? What can an organisation like ours actually do about any of the divisions pulling our society apart?

We're the first to admit that we're at least one step removed from the people at the sharp end of these issues. The people facing ill health, loneliness, unfair systems, or living in areas of deprivation or without any sense of community spirit. The people just trying to live well and happily, against the odds. But charities, funders, social businesses—they are all there, providing support, advice and advocacy for people. And it's because we care about these people that we care about the social sector: this strategy is about how we are going to help the sector do more for them.

So, what does that look like—what does it mean to give people the social sector they deserve? It means we offer support and advice to charities, funders and philanthropists on a wide range of topics. We help partners be more strategic, we understand their contexts better and we put the latest thinking into practice. We do our own research and run our own programmes in innovation and in funding, so that we can understand the issues first-hand. And we make our research and innovations available for free for the whole sector to benefit from.

We bring together charities, funders, philanthropists, social enterprises, impact investors, businesses, government and community groups to make the connections that aren't always obvious but have the power to make change happen.

We help organisations to understand the systemic causes behind the problems that people face, and we look at how we might find holistic solutions to those problems. We're independent, not beholden to members, so you know the analysis we offer and the debates that we provoke don't come with any bias, other than towards creating a more effective sector.

Speaking truth to power, be that to the sector, or to government, is what we do. We're not trying to transform the sector because we believe in change for change's sake. We're doing it because people need charities, and those who fund them, to be the best versions of themselves.

And to help us achieve these goals we are going to centre our work around twelve core areas:

Themes: Our work to transform the sector

- Impact
- Effective philanthropy
- Strategy and leadership
- Data

Approaches: Powerful modes of work and thought

- Place
- User involvement
- Digital
- Systems change

Topics: Areas of severe and growing need where NPC is in a unique position to contribute

- Children and young people
- Health
- Criminal justice
- Homelessness

Progress on implementing

We have launched our new website to make it clearer what we do and to make our practical resources easier to use. Our new website has been warmly received, with feedback indicating that we have met our main aims of making the site clearer and cleaner. The number of users has increased, time on page is up by 30s, pages viewed have doubled, and our bounce rate has been brought down by 30%.

We have started work to revise NPC's own theory of change and look forward to sharing this in the coming year.

We have been working hard to ensure that our people have the right skills and structures to deliver the strategy. We welcomed a new Chair, Vaughan Lindsay, and two new trustees, Fran Perrin and Sally-Anne Greenfield. Collectively these trustees bring valuable knowledge and experience of data, digital, place, fundraising, running a charity, philanthropy and grant-making, which both complement and enhance the existing skills and experience on our board.

At a staff level we have successfully recruited new data and digital specialists to increase our internal capacity and to help us increase skills across the organisation. We have a new director of consulting and we are building our fundraising team.

'Those nice people @npcthinks have a new website so it's just a bit easier to get hold of these resources for the charity sector.'

Paul Gathercole, CLIC Sargent (via Twitter)

Our future plans

1) We want to inspire bold leadership in the sector and to be a challenging and independent voice

To deliver this for people, we will:

- Champion place-based approaches, alongside areas where the charity sector's interests intersect with the public and private sectors, including health, criminal justice, homelessness and young people.
- Push for new approaches to digital and data, building on collaboration, openness and user-centred approaches.
- Continue to hold events and provide resources to encourage bold leadership focussed on impact.
- Advocate for impactful governance and support trustees of small, medium and large organisations with the resources they need to be effective.
- Ensure that the impact on people is at the heart of the discussions we have with clients, funders and in our think tank work.

2) We want to help the sector move from 'in principle' to 'in practice'

To achieve this impact, we will:

- Continue to develop resources for charities and social enterprises of all sizes to improve their impact, including peer learning, online tools, webinars and face-to-face training and events.
- Work in collaboration with other organisations to facilitate discussion in the sector by using our networks to convene formal and informal opportunities to share best practice, particularly around place, the geographic distribution of charities, and the potential for a Civil Society Improvement Agency.
- Work with stakeholders in government and across the sector to continue to advocate for data labs, and to secure tangible, practical actions to advance the sector, including policies outlined in the Civil Society Strategy.

3) We want to develop new approaches and ideas to help the social sector overcome the everchanging challenges they and their beneficiaries face

To fulfil this purpose, we will:

- Refresh our materials on impact measurement and theory of change.
- Develop our thinking on user involvement and systems change.
- Challenge foundations, philanthropists and corporates to move outside their comfort zone by considering their role in impact management, and to get the sector talking about digital, place, user involvement and systems change.



What we want to achieve next year for NPC

- **We will continue to have a clear and compelling narrative that communicates what's important to us and measures our impact on the sector.** We aspire to be recognised as the 'go to' consultancy and think tank in the sector for digital and place, so we will refresh our theory of change and impact framework to help us prioritise and assess our work.
- **We will build on our integrated and flexible operating model to attract and retain a diverse pool of talent that reflects a whole-of-NPC approach to achieving our impact and goals.** To do this we'll reposition our consulting team offer internally and externally to better reflect our new strategy. We'll complete a skills audit to direct future recruitment, professional development and partnerships. We're keen to learn from others to continually improve our diversity, equality and inclusion. Especially with regards to diversity of views at NPC events; accessibility of NPC resources and tools; and attracting, recruiting and retaining the best and widest pool of talent.
- **We will continue to drive our financial strength to ensure that NPC is well-placed to work on new approaches, mindsets and ideas for the next 15 years and beyond.** This involves growing our network of supporters and securing sustainable grant funding for focus areas, especially digital and place.

How our 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, 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 social 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.

Our structure, governance and management

NPC is a charitable company limited by guarantee. Each of our trustees have agreed to contribute up to £1 towards the assets of the company in the event of being wound up. NPC 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. NPC's trustees seek to adhere to the principles set out in the [Charity Governance Code](#). 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.

NPC has an experienced and committed board contributing a range of perspectives and expertise, which we want to build on by increasing the diversity of trustees. Our trustees believe that bringing in people with different perspectives, different outlooks and different experiences will result in new ideas, robust debate, better decisions and ultimately better impact.

The board regularly completes a skills assessment and use this as a basis for deciding whether to recruit new additional trustees to complement the existing skills and experience. The most recent assessment was completed in June 2019. As a result, the board is especially interested in applicants with lived experience of equality & inclusion, philanthropy and/or entrepreneurship.





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. 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 led by the chief executive, Dan Corry. The chief executive is responsible for developing strategies, products and services within overall guidelines and policies set by the trustees. He is responsible for representing NPC externally and for ensuring that NPC's values are communicated and observed. He is also responsible for the recruitment, training and development of management and staff. The chief executive is supported by a senior management team which consists of the chief operating officer, the director of consulting, the director of innovation & development, the head of communications, the head of policy and the HR consultant.

During the year ended 30 June 2019, NPC employed an average of 43 employees, of whom many worked part-time, giving 37 full-time equivalent employees. More detail is provided in Note 8 to the financial statements. Every year we run a staff engagement survey. We are pleased to report that, for the fourth year running, our overall engagement score exceeded 90%. Our overall engagement score refers to staff who said that 'taking everything into account, NPC is a 'good' or 'very good' place to work'.



Improving diversity, equality and inclusion

At NPC we believe in diversity, equality and inclusion in the widest possible sense. Our current staff group is a talented set of individuals, with a broad range of professional and lived experience and skills sets, who think in different ways. At the same time, we recognise that there is more we can do to create a working environment where everyone feels comfortable and able to achieve their full potential. We are partway through a process to better understand and improve our diversity, equality and inclusion so that these principles permeate into everything that we do. Finding absolute and objective measures of success can be tricky, but available data tells us that we have strong female representation across our organisation with a good cross-section of ages and a well-established flexible working culture.

As of 30 June 2019:

- 72% of our staff team was female, including 6 out of 9 of our management team (head of department and above) (2018: 74%).
- Our staff are aged between 23 and 59, with an average age of 35 (2018: 35).
- 30% of our staff work part-time (2018: 28%) and 100% of staff have the option to flex their working hours.

However, we recognise that, at 10%, our black, Asian and minority ethnic (BAME) representation is lower than the national average. And just 7% of our staff have disclosed a disability. During the year we have completed a number of diversity improvement initiatives. These are summarised below. While we are satisfied that we have made a good start, we know there is more to be done. In the coming year, we are looking to use some of the practical advice and initiatives highlighted in our recent [Walking the Talk](#) series of podcasts and essays.

Employer brand

We refreshed our employer brand (text and imagery) with new [Work at NPC](#) pages on our website. The new pages seek to present our total offer in a warm, engaging, accessible way and highlight the four factors that internal & external data tells us are the most attractive to potential candidates: our purpose, working environment, commitment to development and benefits. We have renewed our accreditation as a [London Living Wage Employer](#) and become a DWP accredited [Disability Confident](#) employer (level 2).

Recruitment channels

We explored alternative recruitment channels to reach the widest possible pool of talent in a time and cost-effective way, but the findings were inconclusive. So, we have participated in two talent programmes this year. [Change 100](#), a 3-month paid work placement scheme for undergraduates and graduates with a disability, and [2027](#), a 12-month talent programme to bring frontline workers from working class communities into grant-making. We have just started our second year of Change 100 and our 2027 associate has accepted a permanent role with us, effective September.

Onboarding and induction

We updated our onboarding literature and induction process to ensure that our material is warm, engaging and accessible to ensure that everyone has the best possible experience in their first six weeks with NPC. We have received very positive feedback from new starters.

Application and selection

We assessed the cost-benefits of an applicant tracking system to reduce unconscious bias but decided not to proceed for now. We have removed a 2:1 degree as an essential requirement from all roles, updated that way that we coordinate interviews and are part way through refreshing the case study materials used in second round interviews.

Professional development

We are in the final stages of compiling a staff skills and knowledge matrix to ensure that we are making best possible use of the professional and lived experience of our current staff group. This information will help direct future recruitment, staff development, resourcing and partnership efforts. We have just started to review learning and development to extend this work beyond the first six weeks of employment.

Conduct at work

We endorse NCVO's Charity Ethical Principles: beneficiaries first, integrity, openness and right to be safe. These principles aim to support charities and their stakeholders to recognise and resolve ethical issues and conflicts and make charities a safer place. In endorsing these principles we seek to ensure that our working practices:

- respect every individual's dignity and rights to privacy and confidentiality;
- commit to challenging any instances of sexism, gender inequality and other power imbalances that leave some people at risk of harm; and
- value and improve diversity.

We have a clear policy and code of conduct setting out our expectations for all staff and we encourage all staff to speak up when they think something is wrong. Any concerns can be raised with the individual's line manager, with a member of the senior management team, the HR & Facilities Manager or the independent HR Consultant. When an employee wishes to make a disclosure that cannot be dealt with internally, it can be raised with Public Concern at Work, an independent whistleblowing charity.

We take a zero-tolerance approach to harassment and bullying and will take disciplinary action against employees if appropriate. If the perpetrator is not an employee, we will take whatever steps are reasonably practicable to protect the individual staff member.

Our approach to safeguarding

We are committed to enhancing the impact of the third sector to greater benefit beneficiaries. Much of this work involves working directly with organisations to help them use their resources more effectively and can include interaction with vulnerable people.

We recognise that:

- The welfare of NPC's direct and indirect beneficiaries is paramount.
- Everybody should be kept safe from harm regardless of age, disability, gender, race, religious belief, sexual orientation or identity.
- Some people will require heightened protection due to their age, level of dependency, the impact of previous experiences, or other issues.

We have a clear safeguarding policy and code of conduct that sets out our expectations of all staff.

- **Risk assessment and code of conduct:** Safeguarding risks are assessed at the start of each project. When appropriate, team members involved in the project are provided with a safeguarding briefing and asked to sign a safeguarding code of conduct. DBS checks are obtained for all staff involved in high risk projects.
- **Communications:** All communications with or regarding a vulnerable person, including online such as via social media, are conducted in a safe manner by taking care to ensure the privacy of the beneficiary; never taking photos of a vulnerable person while they are in changing or bathing areas; never publishing other photos without their consent; and managing and preventing risks associated with social media use such as cyberbullying, grooming, identity theft, and exposure to inappropriate content.
- **Monitoring:** Safeguarding risk is reviewed and monitored throughout each project.
- **Reporting and responding to concerns:** All safeguarding concerns must be reported to a member of the senior management team when abuse is observed or suspected, an allegation of abuse is made or a child or vulnerable adult discloses abuse.

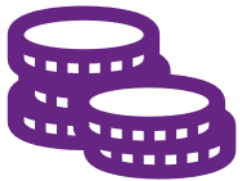
How we manage risk

We have 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:

Risk	How we're mitigating it
Unrestricted fundraising targets are not met meaning NPC is unable to maximise its impact on the sector.	<ul style="list-style-type: none"> • Clear fundraising proposition. • Regular conversations with existing and prospective donors. • Utilise networks to raise NPC's profile amongst potential funders. • Tactical recruitment and partnership.
Insufficient market demand for consulting services caused by macro-economic event and/or continued political uncertainty.	<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 profile including website refresh and marketing materials. • Agree and quarterly targets for pipeline and delivery including pricing, staff utilisation and delivery timeframes.
NPC loses impact and relevance through being unable to lead or respond to emerging trends e.g. digital, data, place.	<ul style="list-style-type: none"> • Thinking on emerging trends increasingly mainstreamed into business as usual activities. • Staff skills development. • Tactical recruitment.
Unable to attract, recruit and retain the best talent with the right skills.	<ul style="list-style-type: none"> • Maintain a strong relationship between trustee board and management team. • Continually review and improve NPC's employment offer including diversity, equality and inclusion. • Competitive remuneration package combined with non-financial benefits. • Professional development plans for all staff supplement by on the job training and support. • Conduct annual staff survey plus exit interviews for all leavers. Communicate and respond to findings.

Financial review



Where our money comes from

67% for our consulting services

12% for our think tank

16% unrestricted donations

5% fees for communications and other income



How we spend our money

50% on delivering consulting services

32% on think tank activities

5% on raising funds

13% on communications



How much we hold in reserves

Our free reserves + committed income will cover 5.7 months of planned expenditure, which is in line with our reserves policy.

Financial activities

The statement of financial activities for the year to 30 June 2019 is set out on page 50 of this report.

Incoming resources

Total incoming resources for the year were £3,224,921, a decrease of 3% (2018: £3,333,520). The main reason for this decrease is a reduction in donations received from our trustees, a positive step as we continue to reduce steadily our dependence on trustee funding by increasing and diversifying our external revenue sources. In 2019 we received £200,000 of trustee funding which equates to 6% of total income (2018: £350,000, 10% of total income).

Income from our consulting and think tank work was £2,545,451, in line with last year (2018: £2,549,749). Year on year comparisons are affected by the amount of grant income (grant income received, which we then grant to others). This affects both our reported income and costs. 2019 income includes £407,225 of grants made, compared with £272,010 in 2018.

Income from fundraising was £504,384, a decrease of 27% (2018: £690,730). This comprises unrestricted donations from our Supporters' Circle and our trustees plus unrestricted grants from trusts and foundations. The main reason is a decrease in donations from our trustees. Income from our Supporters' Circle was £124,334, a decrease of 23% (2018: £160,680). This year we received donations from 12 individuals giving an average donation of £10,361 including Gift Aid (2018: 17 donations with an average value of £9,452). This decrease reflects the decision of some long-standing members to either not renew, or defer renewal until after the financial year end.

Unrestricted grants remained unchanged at £180,000 (2018: £180,000) and we thank the Oak and Tuixen Foundations for their continued support and confidence in NPC.

Other income represents a non-recurring lease premium of £84,300 received when we moved into our new offices in August 2018.

Outgoing resources

Total outgoing resources for the year were £3,332,595, an increase of 4% (2018: £3,205,749). Excluding grant income received and then granted to others (see above), expenditure remained in line with 2018.

The most significant part of our expenditure remains staff resources which includes employees, temporary staff and consultants. Total staff costs were £1,899,159, an increase of 6% (2018: £1,784,040). The main reason is an increase in average FTE employed during the year with 37 FTE on an average salary of £51,329 in 2019 (2018: 34 FTE on an average salary of £52,471). The average salary has decreased despite awarding a cost of living increase to all eligible staff on 1 July 2018 following the decision not to replace the director of think tank and external affairs.

Other project delivery costs, mainly payments to partners & associates, and premises costs are the next most significant component. Other staff & recruitment costs have increased to £90,699 in 2019 (2018: £33,117) due to higher senior-level recruitment, most notably the Chair of the Board of Trustees and the Director of Resource & Consulting.

In August 2018 we moved into new office space. This move was required because our previous landlord sold the previous office space to developers. This means that 2018/19 premises costs include non-recurring move and dilapidations costs of £94,853. We are pleased that this cost was substantially offset by the successful negotiation of a £84,300 lease premium, reported in other income.

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.

Trading subsidiary

The charity has a wholly-owned trading subsidiary, NPC Trading Limited. The company did not trade during the years ended 30 June 2019 or 30 June 2018.

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 contracted team members. We do not employ the services of any fundraising agencies or third parties to fundraise directly, and do not run telephone or door to door fundraising campaigns. We have ensured compliance with 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 is available on our website, together with a clearly documented complaints process. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received regarding our fundraising activities.

Investment policy

In accordance with the memorandum of association, the trustees have the power to invest the charity'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 in the year ahead. At 30 June 2019, NPC had unrestricted reserves of £389,588 (2018: £508,442) and £933,193 (2018: £706,669) of committed fees and unrestricted grant income. We expect average monthly expenditure in the year to 30 June 2020 to be £233,000 (2019 forecast £218,000). The total of £1,322,781 (2018: £1,215,112) of unrestricted reserves and committed donations and fees will therefore cover approximately 5.7 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 its planned activities.

'NPC's rigorous focus on IMPACT has influenced my thinking and highlighted how far behind the charity sector is in comparison with local government and schools!'

Summer survey

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. Our remuneration process is as follows:

- The board is responsible for setting the chief executive's 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 senior management team take into account the following principles:

- Recruitment and retention: For NPC to achieve its mission and financial sustainability, we require high calibre staff with a range of skills and disciplines. Remuneration packages take account of the market rates for comparable jobs in relevant markets.
- Affordability: The impact on NPC's financial health and overall business plan is always taken into account.
- Performance: Performance targets and objectives are assessed through the annual appraisal process and taken into account in remuneration where it is relevant.
- Proportionality: The ratio of lowest to highest salary is monitored. As far as it makes business sense, we strive for parity across the organisation so that employees at comparable levels in different teams receive similar pay.
- Transparency: NPC follows SORP guidelines and lists in the annual report the number of staff earning £60,000 and above (in bands of £10,000)—see note 8. This information and our approach to pay is also publicly available on our website.
- 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.



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

Approved by the trustees on 4 December 2019 and signed on their behalf by:

Vaughan Lindsay

Chair

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 2019 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 2019 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.
- 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual 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)

5th December 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



Financial Statements

Statement of financial activities (incorporating an income and expenditure account) for the year ended 30 June 2019

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Income from					
Donations and legacies	2	504,384	-	504,384	690,730
Charitable activities					
<i>Consulting</i>	3	1,504,858	641,972	2,146,830	2,100,701
<i>Think tank</i>	3	-	398,621	398,621	449,048
<i>Communications</i>		75,792	-	75,792	88,248
Other trading activities		14,392	-	14,392	4,672
Other income		84,300	-	84,300	-
Investments		602	-	602	121
Total income		2,184,328	1,040,593	3,224,921	3,333,520
Expenditure on					
Raising funds		159,404	-	159,404	168,046
Charitable activities					
<i>Consulting</i>		1,065,927	607,349	1,673,276	1,595,410
<i>Think tank</i>		658,885	422,063	1,080,948	1,022,849
<i>Communications</i>		418,967	-	418,967	419,444
Total expenditure	4	2,303,182	1,029,413	3,332,595	3,205,749
Net income/(expenditure) for the year		(118,854)	11,180	(107,674)	127,771
Balance brought forward at 1 July		508,442	289,591	798,033	670,262
Balance carried forward at 30 June		389,588	300,771	690,359	798,033

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 18 to the financial statements.

Other income represents a non-recurring lease premium of £84,300 received when we moved into our new offices in August 2018.

Balance sheet as at 30 June 2019

	Notes	2019 £	2018 £
Tangible fixed assets			
Investments	11	1	1
Fixed Assets	13	24,477	29,682
Current assets			
Debtors and prepayments	14	493,745	426,110
Cash at bank and in hand		735,864	804,105
		1,229,609	1,230,215
Current liabilities			
Creditors: amounts falling due within one year	15	(517,742)	(461,865)
Net current assets		711,867	768,350
Total assets less current liabilities		736,345	798,033
Provisions	16	(45,986)	-
Net assets		690,359	798,033
Funds			
Unrestricted funds		389,588	508,442
Restricted funds		300,771	289,591
Total funds		690,359	798,033

The financial statements were approved by the trustees on 4 December 2019 and signed on their behalf by:

Vaughan Lindsay
Chair
Company No: 4244715

Cashflow statement for the year ended 30 June 2019

	2019	2018
	£	£
Net (expenditure)/income	(107,674)	127,771
Adjustments for:		
Depreciation	13,248	8,051
Interest income	(602)	(121)
(Increase)/Decrease in debtors	(67,635)	(24,836)
Increase/(Decrease) in creditors	101,863	(62,410)
Net cash provided by operating activities	(60,800)	48,455
Cash flow from investing activities		
Investment income—bank interest	602	121
Purchase of tangible fixed assets	(8,043)	(37,733)
Net cash used in investing activities	(7,441)	(37,612)
Change in cash and cash equivalents in the year	(68,241)	10,843
Cash and cash equivalents at the beginning of the year	804,105	793,262
Cash and cash equivalents at the end of the year	735,864	804,105



Notes forming part of the financial statement for the year ended 30 June 2019

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.

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	5%
Think tank	29%
Consulting	52%
Communications	14%

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

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.
- estimating the dilapidations charge payable at the end of the office lease term.

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

	2019	2018
	£	£
Donations from or on behalf of trustees	200,000	350,000
Other donations	50	50
Supporters' Circle	124,334	160,680
Grants for core funding:		
Oak Foundation	150,000	150,000
Tuixen Foundation	30,000	30,000
Total	504,384	690,730

All income from donations and legacies was unrestricted in both 2019 and 2018.

Total donations received from trustees was £242,548 (2018: £390,000) this was made up of trustee donations through the Supporters' Circle and unrestricted funding. Additionally, last year an NPC trustee provided £33,000 for of restricted grant funding to further our work on corporate partnerships and homelessness.



3. Restricted revenue

		2019	2018
Think tank		£	£
<i>Data Labs</i>	Ingeus (ERSA)	-	5,000
<i>Inspiring Impact</i>	Barrow Cadbury Trust	500	7,000
	Access	56,500	-
	National Lottery Community Fund	200,000	200,000
	City Bridge Trust	15,000	-
	City of London	-	15,000
<i>Systems Change and Theory of Change</i>	LankellyChase Foundation	-	7,625
<i>Diversity</i>	Trustee Unlimited	5,000	-
	Russam GMS	5,000	-
<i>Good Data Grant</i>	Gov Lab	-	4,973
<i>Corporate Research</i>	John Stares	-	3,000
<i>Digital Youth</i>	Zing	-	18,000
<i>Homelessness</i>	John Stares	-	30,000
	Monday Charitable Trust	20,000	-
<i>Criminal Justice</i>	The Aurum Charitable Trust	-	27,000
	The Drapers' Charitable Fund	-	30,000
	Mike Hobbs	-	6,250
	J Leon	7,500	-
	Treebeard	16,750	-
<i>Mergers</i>	Lord Lupton	-	10,875
<i>My Best Life</i>	Paul Hamlyn Foundation	50,000	-
	Other donations <£10,000	22,371	84,325
Total think tank		398,621	449,048
Consulting			
<i>Social Determinants of Health</i>	Health Foundation	-	45,460
<i>Trustee seminars</i>	Clothworkers' Foundation	10,650	19,450
<i>Transition Advice Fund</i>	Unbound Philanthropy	125,000	185,000
	Legal Education Fund	95,000	80,000
	Paul Hamlyn Foundation	80,000	80,000
	Barrow Cadbury Trust	55,000	-
<i>Theory of Change</i>	Esmee Fairbairn Foundation	29,950	-
<i>Arts Outreach Research</i>	Mohn Westlake	102,917	-
<i>Big Questions in Classrooms</i>	Templeton World Charity Foundation	143,455	-
Total consulting		641,972	409,910
Total restricted revenue		1,040,593	858,958

4. Expenditure

	Cost of raising funds	Think tank	Consulting	Communications	2019 Total	2018 Total
	£	£	£	£	£	£
Staff costs	121,706	517,627	964,927	275,759	1,880,019	1,753,671
Travel & subsistence	3,589	11,740	12,736	1,788	29,853	31,792
Recruitment & training	752	3,115	5,934	5,020	14,821	13,543
Partners & associates	-	168,112	140,246	2,660	311,018	547,267
Subscriptions, publications & data sources	183	1,086	2,174	3,143	6,586	7,558
Printing & distribution	-	-	-	1,203	1,203	2,668
IT, telecoms & equipment	-	30	67	11,314	11,411	22,182
Marketing & PR	1,067	5,002	4,523	32,818	43,410	60,862
Grant-making (note 5)	-	186,270	220,955	-	407,225	272,010
Other direct costs	227	9,442	9,297	2,377	21,343	19,461
<u>Governance</u>						
Staff costs—governance	1,007	5,641	9,872	2,619	19,140	30,369
Audit fees	535	3,105	5,461	1,499	10,600	10,300
Trustee recruitment	450	2,162	3,793	1,095	7,500	7,500
<u>Other support costs</u>						
Other staff & recruitment costs	4,718	26,781	46,857	12,343	90,699	33,117
Consultants & temp staff	1,151	6,677	11,743	3,224	22,795	42,770
Premises costs	10,043	58,250	101,491	28,121	197,905	184,881
Office move costs	4,743	27,507	49,324	13,279	94,853	-
Other office costs	1,596	9,257	16,280	4,470	31,603	23,661
Website & IT	2,625	15,223	26,771	7,349	51,968	58,740
Legal & professional	1,337	7,757	13,642	3,745	26,481	32,950
Bank charges	129	745	1,305	356	2,535	2,066
VAT	1,837	10,656	18,740	5,145	36,378	40,330
Depreciation	669	3,881	6,825	1,873	13,248	8,051
Total expenditure	159,404	1,080,948	1,673,276	418,967	3,332,595	3,205,749
Total expenditure 2018	168,046	1,022,849	1,595,410	419,444		3,205,749

4. Expenditure (continued)

Prior year	Cost of raising funds	Think tank	Consulting	Communications	2018 Total
	£	£	£	£	£
Staff costs	131,553	509,420	821,932	290,766	1,753,671
Travel & subsistence	5,759	13,751	11,785	497	31,792
Recruitment & training	293	4,107	8,893	250	13,543
Partners & associates	494	169,823	376,858	92	547,267
Subscriptions, publications & data sources	8	849	1,826	4,875	7,558
Printing & distribution	-	601	423	1,644	2,668
IT, telecoms & equipment	-	484	1,341	20,357	22,182
Marketing & PR	1,219	15,105	13,306	31,232	60,862
Grant-making (note 5)	-	166,853	105,157	-	272,010
Other direct costs	223	5,007	13,819	412	19,461
<u>Governance</u>					
Staff costs—governance	1,824	8,754	15,357	4,434	30,369
Audit fees	618	2,969	5,209	1,504	10,300
Trustee recruitment	450	2,162	3,793	1,095	7,500
<u>Other support costs</u>					
Other staff & recruitment costs	1,988	9,546	16,747	4,836	33,117
Consultants & temp staff	2,567	12,329	21,629	6,245	42,770
Premises costs	11,097	53,295	93,493	26,996	184,881
Other office costs	1,420	6,821	11,965	3,455	23,661
Website & IT	3,526	16,933	29,704	8,577	58,740
Legal & professional	1,978	9,498	16,663	4,811	32,950
Bank charges	124	596	1,045	301	2,066
VAT	2,422	11,625	20,394	5,889	40,330
Depreciation	483	2,321	4,071	1,176	8,051
Total expenditure	168,046	1,022,849	1,595,410	419,444	3,205,749

‘[We have] reconsidered [our] approach to measurement, including building more consistent theories of change’

Summer survey

5. Grant-making

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

	2019	2018
	Total	Total
	£	£
UK		
Association of Charitable Foundations	-	15,000
Substance	-	25,500
IMiX	55,836	38,836
National Council for Voluntary Organisations	15,000	28,200
Evaluation Support Scotland	13,500	19,500
MU Ventures Limited	-	11,000
the3Million	77,250	38,300
Community Evaluation Northern Ireland	19,500	18,000
British Future	-	10,000
East European Resource Centre	10,000	-
Here for Good Law	33,000	-
Joint Council for the Welfare of Immigrants	13,938	-
Public Law Project	12,125	-
The Childrens Society	71,740	-
Social Value UK	25,500	-
Wales Council for Voluntary Action	13,500	-
University of Oxford	-	25,248
Roma Support Group	11,250	-
Grants < £10,000	35,086	42,426
Total grants	407,225	272,010

NPC has a contingent liability, of £242,707 relating to satisfactory report to release future grant payments under the Transition Advice Fund. Future payments are subject to receipt of additional funding from partners.

6. Net movement in funds for the year

This is stated after charging:

	2019	2018
	£	£
Auditor's remuneration (excluding VAT)		
audit	10,600	10,300

7. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2018: £nil) and no expenses were reimbursed to trustees (2018: £nil).

8. Staff costs

	2019	2018
	£	£
Wages and salaries	1,582,870	1,480,816
Social security costs	167,221	156,045
Pension costs	149,068	147,179
Total	1,899,159	1,784,040

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

	2019	2018
	No.	No.
£60,001–£70,000	2	-
£70,001–£80,000	1	1
£100,001–£110,000	1	1

The average number of employees during the year was 43 (2018: 42).

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

	2019	2018
	No.	No.
Consulting	15	14
Think tank	8	7
Development	3	3
Communications & marketing	4	4
Executive, operations & strategy	7	6
Total	37	34

The total amounts paid for salaries, fees and expenses in respect of the key management personnel of the charity were £408,278 (2018: £327,902). Key management personnel make up the senior management team, which consists of the chief executive, the chief operating officer, the director of research and consulting, the director of innovation & development, the head of communications and the head of think tank and external affairs.

9. Related party transactions

Aggregate donations and grants from trustees were £242,548 (2018: £413,000). More information can be found in note 2.

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

Client	Relationship	2019	2018
		£	£
Allan & Gill Gray	One of NPC's staff members is an advisor	9,000	-
Baring Foundation	One of NPC's trustees is a trustee	24,703	11,775
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
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 £149,068 (2018: £147,179). At 30 June 2019, contributions amounting to £14,248 (2018: £12,011) were payable to the scheme and are included in creditors.

11. Investments

The charity has an investment of £1 (2018: £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:

	2019	2018
	£	£
Net assets	1	1
Funds (represented by one share of £1)	1	1

'[NPC] drives forward the conversation about impact measurement to support effectiveness.'

Summer survey

13. Tangible fixed assets

Cost	Computer equipment	Total
Cost at 1 July 2018	37,733	37,733
Additions	8,043	8,043
Disposals	-	-
30 June 2019	45,776	45,776
Depreciation		
Cost at 1 July 2018	8,051	8,051
Charge for period	13,248	13,248
Eliminated on disposal	-	-
30 June 2019	21,299	21,299
NBV at 30 June 2019	24,477	24,477
NBV at 30 June 2018	29,682	29,682

14. Debtors and prepayments

	2019	2018
	£	£
Trade debtors	107,336	187,592
Provision for doubtful debt	(8,637)	(9,857)
Prepayments	86,170	51,530
Donations and fees receivable	305,694	195,397
Other debtors	3,182	1,448
	493,745	426,110

15. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	205,837	112,838
Taxation and social security	45,734	42,810
VAT	42,974	56,854
Pensions	14,248	12,011
Deferred income	115,374	115,523
Accruals	88,649	117,874
Other creditors	4,926	3,956
	517,742	461,865

Deferred income consists of consultancy income billed in advance.

16. Provisions

	2019	2018
	£	£
Estimated amounts due under contractual obligations	45,986	-
	45,986	-

17. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2019 are represented by:			
Investments	1	-	1
Tangible Fixed Assets	24,477	-	24,477
Current assets	928,838	300,771	1,229,609
Current liabilities	(517,742)	-	(517,742)
Long term liabilities	(45,986)	-	(45,986)
Total net assets	389,588	300,771	690,359

Prior Year	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

‘NPC provided clear and regular communication. The results of our analysis was presented in an accessible, informative way and they took the time to understand our project and what we were looking for.’

Client survey

18. Restricted and unrestricted funds

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

	At the start of the year	Income	Expenditure	At the end of the year
	£	£	£	£
Restricted funds				
Inspiring Impact—collaboration to improve impact measurement practice across charity sector	22,977	294,371	(293,316)	24,032
Trusteeship—series of seminars exploring key themes of governance, plus a write up of each event	6,757	10,650	(17,407)	-
Homelessness – research into trends and sector interventions	10,742	20,000	(10,742)	20,000
Criminal Justice – to build on the findings of our previous publication <i>Beyond Bars</i>	54,670	24,250	(78,920)	-
Esmee Fairbairn – to update our Theory of Change guidance	-	29,950	(18,332)	11,618
Mohn Westlake – research into arts outreach	-	102,917	(102,917)	-
Templeton – research big questions in classroom knowledge	-	143,455	(68,889)	74,566
My Best Life - collaborative project seeking digital solutions to the challenges facing young people today	-	50,000	(30,586)	19,414
Diversity – series of podcasts and essays on diversity, equality and inclusion	-	10,000	(8,500)	1,500
Transition Advice Fund (Programme Management)	22,068	47,400	(49,059)	20,409
Transition Advice Fund (grants)	148,436	307,600	(347,369)	108,667
Impact Management Programme small grants	23,941	-	(3,376)	20,565
Total restricted funds	289,591	1,040,593	(1,029,413)	300,771
Total unrestricted funds	508,442	2,184,328	(2,303,182)	389,588
Total funds	798,033	3,224,921	(3,332,595)	690,359

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	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 Stares—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 <i>Beyond Bars</i>	-	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

'I have learnt some useful techniques at several seminars I attended... which I'm hoping to include in our evaluation questionnaire.'

Summer survey

19. Financial commitments

As at 30 June 2019 the charity was not committed to making any payments under non-cancellable operating leases:

	Land & Buildings	
	2019	2018
	£	£
Within one year	175,286	-
Within two to five years	131,465	-
Total	306,751	-

20. Post balance sheet events

There are no significant post balance sheet events to report.

21. Detailed comparatives for the statement of financial activities (2018)

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	£	£	£	£
Income from				
Donations and legacies	690,730	-	690,730	625,487
Charitable activities				
Consulting	1,690,791	409,910	2,100,701	1,816,774
Think tank	-	449,048	449,048	491,005
Communications	88,248	-	88,248	98,773
Other trading activities	4,672	-	4,672	4,723
Investments	121	-	121	149
Total income	2,474,562	858,958	3,333,520	3,036,911
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	2,462,998	742,751	3,205,749	2,996,146
Net income/(expenditure) for the year	11,564	116,207	127,771	40,765
Balance brought forward at 1 July	496,878	173,384	670,262	629,497
Balance carried forward at 30 June	508,442	289,591	798,033	670,262

About NPC

Transforming the social sector

We are a consultancy and think tank dedicated to helping the social 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 uncertain times, the social 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 social sector, so it can respond as effectively as possible. We work hard to harness the passion and commitment of everyone involved in the sector to help it become more successful.

Our vision

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

In this world, charities, funders, philanthropists, social enterprises, impact investors, businesses, government and community groups are clear about what they want to achieve; their strategies are based on evidence and a clear theory of change; and they focus on continual learning and improvement. Charities and funders work together to achieve common goals. They share information about what works, and what doesn't, and they benefit from an infrastructure and policies to help maximise impact.

Our mission

Our mission is to transform the social 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 social sector: We want to challenge, inspire, and help the social 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 social 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 impact investing.

Our activities

Our team of 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 social sector itself, and those that stem from the wider operating environment. So we seek solutions through research and commentary, collaboration and policy change.

Our 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, funders, philanthropists, social enterprises, impact investors, businesses, government and community groups to help them overcome obstacles to effectiveness.

At the same time, we learn more about the issues the sector faces. We are part of the global community of thought leaders on impact measurement and evaluation. We have helped partner organisations in Germany (Phineo), Israel (Midot), Canada (Powered by Data) and elsewhere to develop their own approaches and initiatives on measuring impact. As the independent think tank for the social 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 social impact. We also make connections, bringing together organisations from different areas to develop shared thinking and approaches. We are sought after as a partner internationally to provide thought leadership, challenge and expertise by clients, partners and conference organisers across North America, Europe, Asia and Australia, and we help to lead UK and international initiatives to convene leaders and set standards, such as measuring impact in impact investment (Social Impact Analysts Association, G8 Social Impact Investment Taskforce) and developing technology for social good (Good Tech Fest).

Our communications work supports these activities, ensuring that our 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 social 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 our 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.

People are better supported by the social sector...



...to face new and old challenges

The social sector is aware of and applies good practices

More investment in capacity building and systems change

Beneficiaries become agents of social change, not just recipients

Barriers / opportunities to increasing impact are mitigated / maximised

Structures and processes support effectiveness of the sector

Increased capacity building, collaboration and thought leadership

Policymakers

Charities

Philanthropists

Funders

Think tank



Consultancy

Reference and administrative details

Charity registration number	1091450
Company registration number	4244715
Trustees	Richard Atterbury (resigned January 2019) Simon Buckby Sally-Anne Greenfield (appointed March 2019) Lucy de Groot Vaughan Lindsay (appointed October 2018, Chair) Harvey McGrath Francesca Perrin (appointed April 2019) Marcelle Speller (resigned September 2019) John Stares (Vice-Chair) 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



Transforming the social sector

NPC is a charity, think tank, and consultancy to the social sector. Over many years we have worked with charities, funders, philanthropists and others, supporting them to deliver the greatest possible impact for the causes and people they exist to serve.

NPC occupies a unique position at the nexus between charities and funders. We are driven by the values and mission of the social 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: We exist 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 for people.

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: Our 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 for people.

New Philanthropy Capital
Harling House, 47-51 Great Suffolk St,
London
SE1 0BS

020 7620 4850

info@thinkNPC.org

[@NPCthinks](https://www.thinkNPC.org)

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