



New  
**Philanthropy**  
Capital

**NEW PHILANTHROPY CAPITAL**  
(A company limited by guarantee)

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2008**

Charity No. 1091450

Company No. 4244715

New Philanthropy Capital (NPC) is an independent organisation that enables charities and funders to do good, better.

**Our mission**

Our mission is to help make effectiveness central to how charities work and how funders give.

**Our vision**

Our vision is to create a world where charities and their funders are as effective as possible in changing people's lives and in tackling social problems. For charities this means measuring the results of their work, and using evidence to learn and improve as well as to attract support. For funders this means using evidence of charities' results to make funding decisions and measure their own impact.

**New Philanthropy Capital**

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**Annual Report and Financial Statements**

*For the year ending 30 June 2008*

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## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Trustees</b>	David Robins, Chairman Jon Aisbitt Gavyn Davies Kathleen Duncan Rishi Khosla (Appointed 3 March 2008) Peter Mallinson Harvey McGrath Nigel Morris (Resigned 31 March 2009) Baroness Julia Neuberger (Appointed 3 March 2008) Stephen Rumsey Danielle Walker Palmour (Resigned 8 October 2007) Peter Wheeler
<b>Governance Committee</b>	David Robins (Chair) Jon Aisbitt Peter Wheeler
<b>Operating Committee</b>	Martin Brookes (Chair) Jon Aisbitt Kathleen Duncan Baroness Julia Neuberger David Robins Peter Wheeler
<b>Audit Committee</b>	Jon Aisbitt (Chair) Kathleen Duncan
<b>Chief Executive</b>	Martin Brookes
<b>Chief Operating Officer &amp; Company Secretary</b>	Jocelyn James
<b>Registered Office</b>	3 Downstream Building 1 London Bridge London, SE1 9BG
<b>Auditors</b>	Sayer Vincent 8 Angel Gate City Road London, EC1V 2SJ
<b>Solicitors</b>	Bates, Wells & Braithwaite 2-6 Cannon Street London, EC4M 6YH
<b>Bankers</b>	NatWest Charing Cross Business Centre 3rd Floor, Cavell House London, WC2H 0NN
<b>Investment Managers</b>	Cazenove Capital Management Limited 12 Moorgate London, EC2R 6DA

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2008 (incorporating Directors' report)**

The Board presents the report and financial statements of New Philanthropy Capital for the year ended 30 June 2008. These financial statements comply with the Companies Act 1985, the Memorandum and Articles of the company and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised March 2005).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is a charitable company limited by guarantee, incorporated on 2 July 2001 and registered as a charity on 27 March 2002.

The organisation was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association.

Members of the Board of Trustees are the Directors of the company. The Trustees are responsible for establishing clear strategic goals for New Philanthropy Capital (NPC). These, together with performance targets, are established annually and reported on at the meetings of Trustees by the Chief Executive. Day-to-day activities are directed by the management team, led by the Chief Executive.

The Trustees in office during the period and at the date of this report are set out on page 2. New Trustees are appointed by the members of the charity and serve for four years, after which period they may put themselves forward for re-appointment. The Trustees meet four times a year.

#### **Induction and Training**

On appointment, each Trustee subscribes to a code of conduct and completes a register of interests, which is renewed annually. A job description is provided together with a copy of Charity Commission leaflet CC3 – *The Essential Trustee: What you need to know*. New Trustees meet with the Chairman, Chief Executive, Governance Committee and members of the management team and staff. According to their skills, experience and interests, they take responsibility for one or more areas of activity, including appointment to a committee. When new Trustees are recruited, their training needs are assessed and met as necessary.

#### **Risk Assessment**

NPC has a comprehensive risk register, in which all risks are evaluated and graded. The Trustees regularly review in detail the external and internal risks which the charity faces and the strategies and controls which have been put in place to mitigate or address those risks.

#### **Charity Committee**

The Charity Committee, reporting to the Board of Trustees and chaired by the Chief Executive, is responsible for scrutinising NPC analysts' research on charities and deciding if the charities they have proposed should go forward as NPC charity recommendations. External members of the committee are: Anthony Bolton from Fidelity International; Victoria Hornby of Sainsbury Family Charitable Trusts; David Robinson OBE, co-founder of Community links, Children's Discovery Centre and We Are What We Do; and, Sally Walden from Fidelity International. NPC's Chairman and members of senior management are also members of the committee which met four times during the year; two of the meetings included external representatives.

### **Governance Committee**

The committee is responsible for:

- ensuring that NPC's governance structure meets the needs of the charity and is consistent with regulatory requirements and best practice;
- defining the roles and responsibilities of the Board of Trustees;
- recruiting and inducting new Trustees; and
- evaluating the performance of the Board of Trustees.

The committee's focus in the year was on recruiting two new Trustees. The recruitment process followed the procedures recommended by the 2005 governance review; the Governance Committee reviewed the short list of candidates and all members of the committee approved the new appointments.

### **Audit Committee**

The committee meets annually with the auditors and the Chief Operating Officer and is responsible for:

- reviewing the annual audited financial statements; and
- appointing and reviewing the performance of external auditors.

### **Statement of responsibilities of Trustees of New Philanthropy Capital**

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 the 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 which disclose with reasonable accuracy at any time the financial position of the group and charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2008 was 11 (2007 10). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the group or the charity.

### **Auditors**

Sayer Vincent was appointed as the group and charity's auditors during the year and has expressed its willingness to continue in that capacity.

### **Management and Staffing**

The Chief Executive has responsibility for developing strategies, products and services within overall guidelines and policies set by the Trustees. He is responsible for the recruitment, training and development of the management team and for ensuring that the values of NPC are communicated and observed.

The Management Team consists of the Chief Executive, Chief Operating Officer, the Director of Strategy, the Heads of Consulting and Communications & Marketing and a representative of one of the three research team heads, currently this is the Head of Charity Analysis.

### **Subsidiary**

The charity has a wholly owned trading subsidiary, NPC Trading Limited. The company did not trade during the year ended 30 June 2008.

## **OBJECTIVES**

NPC is an independent organisation that enables charities and funders to do good, better. Our mission is to help make effectiveness central to how charities work and how funders give.

Our vision is to create a world where charities and their funders are as effective as possible in changing people's lives and in tackling social problems. For charities, this means measuring the results of their work, and using evidence to learn and improve as well as to attract support. For funders this means using evidence of charities' results to make funding decisions and measure their own impact.

NPC has three strategic aims:

1. to build world class knowledge and tools to understand and increase the impact achieved by charities and their funders—and share this as widely as possible;
2. to provide first-rate advice and services to help funders and charities maximise their impact; and
3. to inspire and lead the debate about what makes charities effective and how this can be measured.

In delivering these aims, NPC, supports the development of its team of expert charity analysts and philanthropy advisors. We also recognise the importance of balancing the delivery of our services in a way that helps us to achieve and maintain financial sustainability.

## **ACTIVITIES**

NPC has been through a strategic review over the last year in order to tilt our focus more clearly to face charities as well as donors and, increasingly, policy-makers. The clearer definition of NPC's objectives and vision that has resulted, has led to not only structural and organisational changes which are outlined below but also a number of changes to our activities. Most notable changes include:

- expanding our measurement activities: we have expanded the activities of our measurement team to include the development of a Results Library and the launch of a well-being measurement project;

- piloting a charity consulting service: in late 2008, we took on our first charity client, the Lucy Faithfull Foundation, and worked with its staff to outline how to measure the effectiveness of its Stop it Now! Campaign; and
- developing new partnerships: we collaborated with the Bertelsmann Foundation which is now applying NPC's research methodology and produced its first full 'NPC style' report on music and charities in Germany in Spring 2008. NPC also teamed up with Copal Partners in India, expanding NPC's international work by analysing charities in India.

## **Restructuring and organisational changes**

Since October 2008 we have made a number of changes to the structure of NPC in order to place the charity in the best shape to achieve its goals. We have ceased to have a client development department which formerly focussed on recruiting individual clients and our advisory team has been renamed the consulting team to reflect the wider range of clients it will be serving. As noted, though, we continue to advise individual donors on their giving. The research team has been split into three divisions covering sector analysis, charity analysis and measurement; their activities are described in more detail below. Together with the communications team, research and consulting now report to the operations team. In addition a new post of Director of Strategy has been created to drive and refine our approach for greatest impact, and to advise on the development of revenue generating and funding strategies.

Integral to the restructuring is the recognition that for NPC to achieve its goals it is necessary for all teams to work collaboratively. It is expected that although individuals will be line managed within their teams they will spend much of their time working on cross-team projects.

Here is a brief overview of activities within the research, consulting and communications teams.

## **Research activities**

The research team, which is responsible for building a body of public knowledge about charities and effectiveness, focused on the following:

- **Sector analysis:** investigating charity 'sectors' and producing public research to help understand social problems, the role of government and charities in solving them and the role of private funding. Over the last year, we added to our existing pool of knowledge, publishing research into child mental health and financial exclusion.
- **Charity analysis:** analysing organisations, measuring and providing feedback on their effectiveness and performance, highlighting those demonstrating best practice and developing our analytical framework for analysing charities. Over the past year, our methodology for analysing charities has been refined and this will be outlined fully in a new publication to be released in the second quarter of 2009, together with lessons learned from our experiences to date.
- **Measurement:** building measurement tools and services: exploring funders' and charities' use of and need for evidence, building a Results Library where impact data will live, thrive and grow and increasing charities' capacity to measure through action research, pilots, tools and advisory work. Key projects include the production of a report and tools to understand and measure the effectiveness of social campaigning and working with a client to do a social return on investment analysis.

The following research reports have been published in 2008/2009:

- *Short changed: Financial exclusion* (Jul-08);
- *Turning the tables in England: Putting English charities in control of reporting* (Sep-08);
- *More advice needed: The role of wealth advisors in offering philanthropy services to high-net-worth clients* (Oct-08);
- *Heads up: Mental health of children and young people* (Nov-08);
- *Critical masses: Social campaigning, a guide for donors and funders* (Nov-08);
- *Valuing potential: An SROI analysis on Columba 1400* (Nov-08); and
- *Granting success: Lessons from funders and charities* (Feb-09).

## What others say about our research

### Donors and advisors:

- *'As a legal advisor, I take it in and it helps me give more appropriate advice [to my clients] and a better understanding of the issue.'*
- *'After reading a report we re-examined the Trust's reporting requirements.'*
- *'I used cost-effectiveness evidence to support the case for funding a particular intervention which initially looked expensive.'*

### Charities:

- *'The analysis was the most balanced, independent and honest appraisal of our organisation's work that I've seen.'*
- *'Several companies and individual donors have supported us [as a result of NPC's research] who we feel would otherwise not have done.'*
- *'We cut and paste NPC's recommendation materials into other applications and quote them in press releases, annual reports and on our websites.'*

- from a survey conducted in February 2009

## Consulting activities

'Consultancy' is a term widely recognised by the clients and markets that NPC serves. As a result, we have reflected this in renaming NPC Advisory as NPC Consulting.

The consulting team continues to work directly with numerous individuals, foundations and corporations on their strategy and approach for giving. This includes:

- defining objectives; choosing an area of focus combining interests and resources with needs;
- designing funding and monitoring processes; and
- reviewing the results of giving to improve practice.

Our client base includes government bodies, major foundations, high net worth individuals, businesses and charities themselves. The proportion of trusts and foundation clients, compared with other groups of clients, has grown over the last year.

We have also seen increased interest from advisors of high net worth individuals such as lawyers and private bankers in supporting their clients with philanthropy since the launch of research NPC commissioned in Autumn 2008, *More advice needed*.

Whilst we primarily focus on UK-based clients, we have been increasingly called on to provide advice and support to clients based outside the UK or who are interested in giving internationally. We believe that this is a market that we should continue to explore, looking for opportunities to build strategic partnerships, support clients, build our profile and lead the way in stimulating the debate on standards in international philanthropy advice.

### **Three recent case studies from NPC's consulting work**

#### **A successful entrepreneur and his wife**

A couple who had just sold their business decided to give away the bulk of their wealth in their own lifetimes. They soon realised they needed some expert advice to make this happen.

The couple's financial advisor introduced them to NPC. NPC helped them to focus their giving on the areas of most concern to them, and to learn about charities working in those areas. The pair began visiting international charities that NPC had identified. They witnessed first hand the effect of different initiatives, such as microfinance and sanitation projects, and also became aware of how much effective giving depends on focus and knowledge. For them, learning about giving has been an adventure—in their words, *'one of the most exciting projects that we have ever taken on.'*

#### **Helping a campaigning charity evaluate its impact**

The Lucy Faithfull Foundation (LFF), a charity working to prevent child sexual abuse, wanted to better evaluate the impact of its Stop it Now! campaign. Stop it Now! combines public education with a helpline aimed at people concerned about their own behaviour or that of others, regarding child sexual abuse. After reading NPC's recent report on how to measure the results of campaigns, *Critical masses*, the charity approached NPC for help.

The bespoke consulting project NPC ran for LFF centred around three workshops for LFF staff and partners involved in the campaign. Through these, we helped LFF to clarify its theory of change, the outcomes it wanted to achieve and the indicators it could use to measure its progress against those targets. Donald Findlater, Deputy Director of LFF said *'We now have a common framework which gives us freedom and ultimately allows us to be more responsive to the needs of the people we work with. NPC worked alongside us, helping us to find our way—and they made it fun. This could have been a dry piece of work but it wasn't.'*

NPC analyst Gustaf Lofgren, who delivered the consulting project, says: *'It's a great way for us to offer practical support to charities. It's a more hands-on approach. Hopefully now LFF will be better able to demonstrate their results to funders and can campaign even more successfully.'*

#### **Reviewing a grant-maker's approach**

A well-known grant-maker aimed to provide a link between grassroots organisations and policy-makers, by funding local organisations and using their experiences to inform national policy debates. Their Chief Executive asked NPC to review whether or not the trust had been successful in this during its last funding cycle, and what the strengths and weaknesses of the approach had been in practice. We conducted in-depth interviews with a number of grantees and analysed the trust's grants data. We also spoke with the trust's staff and external experts.

NPC then presented its findings to the grant-maker's staff, showing how the approach had been implemented in practice, and outlining the organisation's strengths and areas in which it could improve. We also included case studies on grantee charities, which the trust could use for future publicity.

The staff told us how valuable it was to receive an honest assessment of their work and to learn how grantees and external experts perceived their work.

## What others say about our consulting

- *'Before we were ad hoc and useless and NPC has made us cutting edge.'*
  - *'I feel we're more effective with NPC's help. NPC shows me/us all options in terms of constructing the charity portfolio: the risks, whether it's a 10% or 50% return on investment you're looking for.'*
  - *'We want the fifth generation to get involved, so I want to get a deep relationship with NPC to get children imbued with a sense of philanthropy.'*
- Interviews with donors, September 2008

## Communications activities

NPC's profile has continued to grow over the year, as a result of the activities of the team:

- **PR and media activities** have resulted in some high quality coverage about NPC's research and services as well as its broader mission. For example, when our report on child mental health report, *Heads up*, was launched in November 2008, it received coverage in more than 100 regional and specialist publications, as well as national media including the Channel 4 website and Women's Hour.
- **Joint events** with partners have succeeded in disseminating NPC's message. For example, NPC's report, *Turning the tables in England* was launched with the Office of the Third Sector in the Cabinet Office in September 2008 and included an address by the then Minister for the Third Sector, Phil Hope MP.
- NPC is increasingly being invited to **speak at conferences** and these speeches tend to generate debate as well as media coverage in the trade press. For example, Martin Brookes spoke at a conference entitled 'Raising funds from the Rich', sharing a platform with Michael Hintze, John Studzinski and the Charities Aid Foundation.
- **NPC's website** receives around 150 visitors on average and 1,800 reports are downloaded each month on average. Our quarterly newsletter, *Giving Insights*, continues to be popular and over the last year has included interviews with: Matthew Bishop, co-author of *Philanthrocapitalism*, Sir Trevor McDonald and Darcey Bussell.
- NPC was **featured in a high profile book**, *Philanthrocapitalism: How the Rich Can Save the World and Why We Should Let Them*, by Matthew Bishop and Michael Green. NPC have also been mentioned in the authors' popular blog, and NPC Trustee, Peter Wheeler, chaired a lecture at the RSA on the subject of 'philanthrocapitalism' in November 2008. As *Philanthrocapitalism's* authors say in their book: *'At its best, NPC provides the sort of performance metrics that new philanthropists love. It does such things as calculate the rate of return on supporting a charity that gets a persistent truant to attend school regularly (1,160 percent, it turns out).'*
- NPC commissioned **market research** on the role of intermediaries in providing philanthropic advice, together with Wise and the Bertelsmann Foundation, and the findings have generated a great deal of interest within the wealth advisor community as well as informing NPC's work in this area. The research, *More advice needed*, revealed that over half of Europe's trusted advisors believe that philanthropy will be a core service they offer to wealthy clients within five years. Yet despite many advisors increasing their array of philanthropy services, and tapping into specialist third-party philanthropy partners for expertise, many clients are unaware of the services on offer and most advisors feel inadequately trained to discuss philanthropy with their clients.

## PRINCIPAL ACHIEVEMENTS FOR THE YEAR

1. *to build world class knowledge, methodology and tools to understand and increase the impact achieved by charities and their funders—and to share this as widely as possible*

NPC has an unmatched resource of knowledge about charity and donor effectiveness and is the only organisation producing independent in-depth research into social issues and carrying out charity analysis. Our research is recognised as providing excellent insight and guidance to donors and funders who want to learn more about an issue. As one donor commented: *'the three reports that I have read have been interesting, well written, clear and useful...you very rarely read anything either new or genuinely interesting. NPC is different.'*

Our research also highlights barriers to being effective and we suggest how charities and funders can overcome these. Drawing on the findings of our report, *Turning the tables*, which calls for charities to work with their funders to streamline reporting, one charity challenged its funder on their excessive reporting requirements and succeeded in getting these scaled back. As a result, this charity has been better able to focus on changing the lives of the people it supports.

There is significant take-up of NPC's approaches and guidance by donors, funders and charities. For example, a number of charities have told us they have implemented full cost recovery in their organisation after reading the report we produced with acevo, *Surer Funding*. In addition, *Funding success*, our methodology for analysing impact, is the most downloaded report on our website and is read by charities, donors and sector leaders.

NPC has also collaborated with a number of influential organisations, including the Bertelsmann Foundation in Germany and Copal Partners in India. With the latter, we have been expanding NPC's international work by analysing charities in India. In addition, on a global scale we have received enquiries from as far afield as Brazil and Japan from people wanting advice on setting up an organisation like NPC in their own country.

NPC ensures all its research, methodologies and tools are available to everyone, by making all our materials free to download from our website. On average 1,800 NPC reports and charity recommendations are downloaded each month, a number that is growing. We also share our work as widely as possible through PR, mail outs and involvement in events and conferences. For example, the coverage we secured for *Hard knock life*, NPC's report on violence against women, included being the most read story that day in *The Times* and being featured on the Today programme, the BBC website, *The Week* and more than a dozen blogs and letters to editors.

2. *to provide first-rate advice and services to help charities and funders maximise their impact*

Over the years, NPC has worked with leading funders to help them increase the impact of their giving. Our clients have included a third of the top 25 grant-makers.

NPC's research and advice has highlighted a number of opportunities where charities and donors can create more impact. In one instance, True Colours Trust, which focuses on disabled and life-limited children, decided to make its approach more strategic and to fund two key umbrella bodies to campaign for better services, because of our research and advice. The trust's support helped the organisations to achieve tangible policy wins such as government funding worth £340m for disabled children and their families in the Every Disabled Child Matters campaign.

In other instances, NPC has helped clients scale up their giving. As one client explains: *'I wanted to start making strategic grants very quickly without having to hire my own staff to do it. Using NPC enabled the foundation to double the size of its giving in the UK.'*

Our work with funders has also helped charities to attract more funding based on their results. In a recent survey, 74% of charities recommended by NPC said they felt that being recommended had improved their ability to attract funding from other sources. One commented, *'Three GMTs approached us after using NPC recommendations to draw up their short-lists for support. This resulted in donations in all three cases.'*

In addition, we have steered millions of pounds to effective charities, including £13m that we can track directly, because of our advice and charity analysis. Over three-quarters of these grants are unrestricted, which has enabled charities to plan better and respond more flexibly to changes in demand for their services and the needs of their clients.

*3. to stimulate debate about what makes charities effective and how this can be measured*

NPC has helped to raise the profile of effectiveness and has fuelled debate on the topic. A public lecture by Martin Brookes, NPC's chief executive, at the RSA in November 2007 fuelled discussions among charities and policy-makers and sparked a debate in the national press that has continued. Patrick Butler of Guardian Society commented that *'Brookes' contention that we sharpen up our assessment of charity performance is persuasive.'*

In order to facilitate greater networking and sharing of ideas and methodologies, NPC is also running a conference on charity effectiveness, *Valuing impact: Building an Association of Nonprofit Analysts*, due to take place in May 2009, which promises to facilitate greater networking and sharing of ideas and methodology. As the co-host, together with the Bertelsmann Foundation, NPC, is helping to put the issue of effectiveness firmly on the agenda of leading thinkers and practitioners in the UK, Europe and the rest of the world.

There are more and more clear signs that people are starting to take effectiveness seriously as a result of NPC's influence. 82% of charities recently surveyed said NPC has changed the way they work, with regard to measuring results, reporting to donors and shaping strategy. One charity said, *'Because of NPC we have begun to work much harder at ensuring that measuring the results and effectiveness of our work is built into everything we do rather than being an after-thought'*. At least two charities with which NPC works have appointed staff whose job it is to measure the impact of their charity's work, on NPC's advice.

### **Trustees**

Baroness Julia Neuberger and Rishi Khosla joined the Board of Trustees during the year.

Baroness Neuberger, a former health spokesperson for the Liberal Democrats in the House of Lords and former CEO of the Kings' Fund, is the Prime Minister's Champion on Volunteering. She holds a number of executive and non-executive positions, including Chair of the Commission for the Future of Volunteering.

Rishi Khosla is CEO and founder of Copal Partners, which is currently working with NPC to carry out research into charities in India. Rishi is a board member of TIE UK and previously managed the private equity and venture capital activities of Lakshmi Mittal and worked for GE Capital.

Danielle Walker-Palmour resigned from the Board of Trustees during the year. We are grateful to her for her significant contribution towards NPC's work. More recently, Nigel Morris resigned from the Board of Trustees. We are also grateful to him for his significant contribution towards NPC's work.

### **Chief Executive**

Nigel Harris resigned as Chief Executive on 31 March 2008 after 6 years at NPC and three and a half as Chief Executive. He left NPC to explore opportunities in international development and social investment.

Martin Brookes, NPC's Director of Research was appointed as the new Chief Executive with effect from 1 April 2008. Martin joined NPC in 2001 and has headed the research team since 2003. Martin is the UK's leading commentator on effectiveness in charities, and is a passionate believer in making the market for charitable giving more efficient by measuring outcomes and ensuring that money flows to those charities that use it best.

### **Staffing**

At 30 June 2008 we had 39 employees, a small increase over the 37 at the beginning of the year. 5 people were part-time giving us a full-time equivalent workforce of 37 at the year end. Since the year-end our staff has decreased to 30. We have made 7 people redundant, 3 from our Advisory team and 4 from our Research department. Included in the redundancies were two members of our client development team, which was disbanded following a decision not to actively pursue individual donor clients.

## **FINANCIAL REVIEW**

The Statement of Financial Activities for the year is set out on page 18 of the financial statements.

### **Financial Activities and Results**

Total incoming resources amounted to £5,634,752 (2007 £2,786,660). This includes interest receivable of £25,042 (2007 £15,526), advisory fees of £605,318 (2007 £412,265), grants for research or other projects of £157,233 (2007 £396,685) and donations of £4,818,270 (2007 £1,918,186) including donations received on behalf of donor clients £3,262,030 (2007 £1,034,259) with which NPC makes grants to charities at the discretion of its Trustees and in accordance with the preferences of its donor clients.

### **Resources Expended**

The majority of costs incurred in the year relate to employee costs, including reimbursed expenses, premises, publication costs and technology.

### **Funding**

During the year, NPC received revenue from four main sources: grants from foundations and individuals to fund research projects, fees for advisory work, donations from our Trustees and donations received from advisory clients for onward transmission to charities.

Looking at the income excluding donations from advisory clients, we derived 25% of that income from fees, a small increase on the previous year when fees accounted for 23% of revenues. Grants, however, were significantly down and in the year accounted for less than 7% of revenue compared with 23% in the previous year. The reduction in grant revenue has been compensated for by an increase in donations from our Trustees who this year have provided 66% of our revenues, up from 50% in the previous year.

In the longer term, it is NPC's intention to reduce its dependence on Trustee funding by generating more fees and seeking both project and strategic grants. In the period since the year-end to the date of this report, revenue from fees and grants is already up by more than 70%.

### **Investment Policy**

In accordance with the memorandum of association, the Trustees have the power to invest the charity's funds not immediately required, in any investments, securities or property and to delegate the management of investments to a financial expert. The Trustees have engaged Cazenove Capital Management as investment managers and invested in a cash fund run by Barclays Global Investors. The policy is to invest in low risk marketable instruments focussing on maximising income. The returns are measured against short-term deposit rates. As of 30 June 2008 there were investment funds totalling £25,425 (2007 £5,789) held in the fund.

### **Reserves**

The charity had unrestricted reserves of £112,959 at 30 June 2008 (2007 £26,442). In addition, it had pledges for £585,000 of donations from its Trustees, which were received in the 6 months after the year-end. Average monthly expenditure on unrestricted activities was £179,000 during the year. The total of unrestricted reserves and pledged donations therefore covered just under 4 months of expenditure. The Trustees are satisfied that, in the light of the charity's increased emphasis on generating fee income, this is sufficient to ensure that the charity's future spending objectives can be met.

### **Grant-making Policy**

NPC does not invite applications for grants. All of the grants made during the current year were in accordance with specific requests made by donor clients.

## **PLANS FOR THE FUTURE**

Plans for the year ahead

### **1. Research activities**

The research team's work in the coming year will fall into three main categories:

- **Research on resource allocation in the charitable sector:**  
This will focus on the industry-specific content (or sectors) in which charities work and will include research to understand needs, map activities, identify gaps in services, and investigate what works in solving social problems. The purpose of this work is to create a knowledge base to help charities and funders to improve their effectiveness. As well as the larger sector research projects, we will undertake to create industry-specific tools to help charities and donors measure their impact.
- **Structural research:**  
Our work in this area looks at the context in which all charities work, including issues such as allocating costs, contracting with government or reporting to funders. The purpose of this work is to create new ways of working so that the charitable sector can operate more efficiently and effectively. As well as producing detailed research to solve specific problems, we will also produce short papers on pressing issues and seek to develop partnerships with think tanks and industry bodies to help disseminate findings and toolkits more widely.

- **Research on individual charities and funders:**

This work aims to promote the use of analysis in order to help charities and funders become more effective. It includes NPC's existing analysis of charities and activities to highlight exemplary charities. In addition, we will be working directly with charities and funders to share and apply our framework for analysing charities.

These activities will be supported by a team of measurement experts, who will carry out cost-benefit calculations and statistical analysis of primary data as well as provide input on sampling, surveying and interpreting results and evaluation.

Reports and projects that are planned for the coming year include:

- a report on NPC's methodology, which will provide an update to *Funding success*, our first report outlining our approach to analysing charities and their work;
- a report on charity trusteeship: the state of trustee boards and how they can be improved;
- a questionnaire to enable charities to measure the well-being of children and young people;
- a project with the Government Equality Office about the sustainability of the Violence Against Women Sector; and
- capturing the impact of community organisations—a joint project with the Institute of Voluntary Action Research to develop an approach to measuring the impact of community organisations.

## **2. Consulting activities**

The consulting team plan to expand NPC's client base through raising our profile and highlighting the work that we have done to date. A relatively new client group for us, in addition to our existing client base of individuals, trusts, foundations and companies, is charities. NPC's charity consulting service aims to help them to improve their performance management. NPC's advisors will offer advice and practical support based on its in-depth knowledge of social issues, our expertise in evaluating and measuring the impact of charities' work and our insight into donors' and funders' decision-making processes.

The team will also be exploring how to work with clients based overseas or who are interested in giving overseas and will also be increasing our work with advisors to build a marketplace for philanthropy advice in the UK. As a complement to NPC's growing public affairs activity, mentioned below, we will also be exploring government as a potential market for our consulting work.

In addition, NPC will be looking to disseminate the lessons learned in its work to encourage and highlight good practice. For example, we have initiated a training programme, which will focus initially on supporting trusted advisors in discussing philanthropy with their clients. The introduction to philanthropy training will be offered to private bankers, private client lawyers, multi-family offices, accountants, IFAs and other trusted advisors to wealthy individuals and their families.

## **3. Communications and campaigning activities**

The communications team will focus in the coming year on disseminating NPC's messages about charity and donor effectiveness and highlighting NPC's role in helping to promote this, as well as on marketing NPC's services and products to a range of client groups.

NEW PHILANTHROPY CAPITAL


Because of the changes within NPC in the last year, updating our marketing materials is high on the agenda and includes our website, brochure and presentations. This will go hand-in-hand with speaking at conferences and other events, as well as with ongoing PR and digital marketing activities.

A new area of work will be to develop a public affairs programme that builds on existing relationships with key figures in government and enables us to spread our messages about charity and donor effectiveness with opinion formers. Initially, this will entail mapping out NPC's audience in government and honing its message for government. We will also be taking further our work with trusted advisors, publishing a report about building the market for philanthropic advice in the summer and initiating activities to facilitate greater collaboration.

A highlight in NPC's programme of events for the coming year is a conference in May 2009, *Valuing impact: Building an Association of Nonprofit Analysts*, which we will be co-hosting with the Bertelsmann Foundation. The conference—and the professional association that we hope will result—will focus on helping philanthropists and nonprofits to make a greater impact by gathering, sharing and using evidence. It will do this by:

- building a platform for collaboration across the sector;
- enabling individuals who are passionate about impact measurement to share best practice and to collaborate in building measurement tools and methodology; and
- building awareness and promoting the practice of non-profit analysis, especially among funders, non-profits and advisors.

**On behalf of the Board of Trustees**



David A Robins  
Chairman

24 April 2009

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW PHILANTHROPY CAPITAL**

We have audited the financial statements of New Philanthropy Capital for the year ended 30 June 2008 which comprise the consolidated statement of financial activities, balance sheet, and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

### **Respective responsibilities of the Trustees and auditors**

The responsibilities of the Trustees (who are also the directors of New Philanthropy Capital for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of Trustees' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the annual report of the Trustees is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' annual report and consider the implications for our report if we become aware of any apparent misstatement within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group and charitable company's state of affairs as at 30 June 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



**SAYER VINCENT**  
Chartered accountants and registered auditors  
London

27 April 2009

**NEW PHILANTHROPY CAPITAL (a company limited by guarantee)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating an Income and Expenditure Account)**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from generated funds</b>					
Voluntary Income	2	1,556,240	3,262,030	<b>4,818,270</b>	1,918,186
Investment Income	3	25,042	-	<b>25,042</b>	15,526
<b>Incoming resources from charitable activities</b>					
Advisory Fees		605,318	-	<b>605,318</b>	412,265
Grants for research projects	4	20,000	137,233	<b>157,233</b>	396,685
<b>Other Incoming Resources</b>	5	<u>28,889</u>	<u>-</u>	<b><u>28,889</u></b>	<u>43,998</u>
Total incoming resources		<u>2,235,489</u>	<u>3,399,263</u>	<b><u>5,634,752</u></b>	<u>2,786,660</u>
<b>RESOURCES EXPENDED</b>					
<b>Cost of Generating Funds</b>					
	6	79,607	-	<b>79,607</b>	81,616
<b>Charitable activities</b>					
Research	7	1,194,469	425,763	<b>1,620,232</b>	1,226,609
Advisory	7,8	851,509	3,230,465	<b>4,081,974</b>	1,847,477
<b>Governance costs</b>	9	23,387	-	<b>23,387</b>	20,921
Total resources expended		<u>2,148,972</u>	<u>3,656,228</u>	<b><u>5,805,200</u></b>	<u>3,176,623</u>
<b>NET (EXPENDITURE) INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS</b>					
	10	86,517	(256,965)	<b>(170,448)</b>	(389,963)
BALANCE BROUGHT FORWARD AT 1 JULY		<u>26,442</u>	<u>450,501</u>	<b><u>476,943</u></b>	<u>866,906</u>
BALANCE CARRIED FORWARD AT 30 JUNE		112,959	193,536	<b>306,495</b>	476,943

All of the above results are derived from continuing activities; all gains and losses recognised in the year are included above. The notes on pages 20 to 31 form part of these financial statements.

**NEW PHILANTHROPY CAPITAL (a company limited by guarantee)**  
**CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 30 JUNE 2008**

	Notes	2008 Group £	Charity £	2007 Group £	Charity £
<b>Fixed Assets</b>	14,15,16	<b>10,000</b>	<b>10,001</b>	-	1
<b>Current Assets</b>					
Debtors and prepayments	17	<b>283,971</b>	<b>283,971</b>	364,638	364,638
Cash at bank and in hand	18	<b>285,274</b>	<b>285,274</b>	273,853	273,853
		<u><b>569,245</b></u>	<u><b>569,245</b></u>	<u>638,491</u>	<u>638,491</u>
<b>Creditors: amounts falling due within one year</b>	19	<b>(272,750)</b>	<b>(272,751)</b>	(161,548)	(161,549)
		<u><b>296,495</b></u>	<u><b>296,494</b></u>	<u>476,943</u>	<u>476,942</u>
<b>Net current assets</b>		<b>296,495</b>	<b>296,494</b>	476,943	476,942
		<u><b>306,495</b></u>	<u><b>306,495</b></u>	<u>476,943</u>	<u>476,943</u>
<b>Net assets</b>		<b>306,495</b>	<b>306,495</b>	476,943	476,943
<b>Funds</b>					
<b>Unrestricted funds:</b>					
General funds	20,21	<b>112,959</b>	<b>112,959</b>	26,442	26,442
		<u><b>193,536</b></u>	<u><b>193,536</b></u>	<u>450,501</u>	<u>450,501</u>
<b>Restricted funds</b>	20,21	<b>193,536</b>	<b>193,536</b>	450,501	450,501
		<u><b>306,495</b></u>	<u><b>306,495</b></u>	<u>476,943</u>	<u>476,943</u>
<b>Total funds</b>		<b>306,495</b>	<b>306,495</b>	476,943	476,943

The notes on pages 20 to 31 form part of these financial statements.

The financial statements were approved by the Trustees on April 2009 and signed on their behalf by:

David A Robins  
**Chairman**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

### 1 Accounting policies

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention (except for investments which are included at revalued amounts) and have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", published in March 2005, applicable accounting standards and the Companies Act 1985.

(b) Incoming resources

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

Donations are recognised when received. Donations include amounts given to NPC to pass on as grants to other charities. NPC has control over the application of these donations, and as such recognises these as income in the SOFA.

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

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

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

(c) Grant-making

NPC receives donations specifically for grant-making to other charitable organisations. Donors provide funds to NPC, which retains discretion over the destination of these funds. NPC will discuss the grant-making with the donors, and where possible make payments to organisations recommended by the donors.

NPC recognises this income as it has entitlement over the application of the donations. These donations are included as voluntary income in the SOFA.

Grants payable are classified as charitable expenditure depending on the activity that the grant is funding (ie, Research or Advisory).

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

(d) Resources expended

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

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

Cost of generating funds	15%
Research	40%
Advisory	40%
Governance costs	5%

Marketing and client development costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

	Marketing & Communications	Client Development
Cost of generating funds	5%	10%
Research	50%	-
Advisory	45%	90%

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

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

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

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

(f) Tangible fixed assets and depreciation

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

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

Computer Equipment	over 3 years
Furniture and fixtures	over 5 years
Office Equipment	over 5 years

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

(g) Fund accounting

Funds held by the charity are either:

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

*Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

(h) Pension

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

(i) Leases

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

(j) Taxation

The charity is exempt from taxation on its charitable activities.

(k) Investments

Investments are stated at mid-market value at the balance sheet date. The gain or loss for the period is taken to the SOFA. All movements in value arising from investment changes or revaluations are shown in the SOFA. The cumulative unrealised gains are included in a revaluation reserve within unrestricted funds.

**2 Voluntary Income**

	Unrestricted	Restricted	2008 Total	2007 Total
	£	£	£	£
Donations from or on behalf of Trustees	1,552,369	-	<b>1,552,369</b>	863,327
Advisory client donations	-	3,262,030	<b>3,262,030</b>	1,034,259
Other donations	3,871	-	<b>3,871</b>	20,600
<b>Total</b>	<b>1,556,240</b>	<b>3,262,030</b>	<b>4,818,270</b>	<b>1,918,186</b>

Advisory client donations comprise amounts received from clients under Gift Aid. At the discretion of NPC's Trustees the money received is donated to charities nominated by the donors following advice from NPC. The grants made with these donations are included in resources expended in charitable activities and are listed in note 8.

**3 Investment income**

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

**4 Grants for Research Projects**

	2008 £	2008 £	2008 £	2007 £
	Unrestricted	Restricted	Total	Total
Tuixen Foundation	10,000	-	<b>10,000</b>	-
The Uyea Trust	10,000	-	<b>10,000</b>	-
<i>Substance Abuse</i>				
The Freemasons' Grand Charity	-	10,000	<b>10,000</b>	-
<i>Sport</i>				
Man Group plc Charitable Trust	-	40,000	<b>40,000</b>	-
<i>Turning the Tables in England</i>				
The Office of the Third Sector	-	45,874	<b>45,874</b>	-
<i>Inspiring Scotland</i>				
Lloyds TSB Foundation for Scotland	-	48,000	<b>48,000</b>	-
<i>Other</i>	-	550	<b>550</b>	-
<i>Advocacy and Systemic Change</i>				
The Esmée Fairbairn Foundation	-	-	-	35,000
Comic Relief	-	-	-	25,000
<i>Violence against Women</i>				
Barclays Capital	-	-	-	12,000
<i>Homelessness</i>				
Confidential Donor	-	-	-	25,000
<i>Financial Exclusion</i>				
Friends Provident Foundation	-	-	-	25,000
The Resolution Foundation	-	-	-	25,000
<i>Disabled Children</i>				
The True Colours Trust	-	-	-	30,000
<i>Child Mental Health</i>				
Paul Hamlyn Foundation	-	-	-	25,000
Waterside Trust	-	-	-	30,000
Confidential Donor	-	-	-	15,000
<i>International Feasibility Study</i>				
Confidential Donors	-	-	-	85,000
<i>Monitoring and Evaluation</i>				
Big Lottery Fund Scotland	-	(7,191)	<b>(7,191)</b>	48,285
<i>International Grant Making</i>				
The Nuffield Foundation	-	-	-	1,400
<i>How to Fund</i>				
Big Lottery Fund	-	-	-	15,000
<b>Total Research Projects</b>	<b>20,000</b>	<b>137,233</b>	<b>157,233</b>	<b>396,685</b>

**5 Other Incoming Resources**

	<b>2008</b>	2007
	£	£
Rental Income	<b>21,678</b>	40,308
Other Income	<b>7,211</b>	3,690
<b>Total</b>	<b>28,889</b>	43,998

**6 Costs of generating funds**

	<b>2008</b>	2007
	£	£
Staff Costs	<b>60,130</b>	60,387
Publicity & Promotion Costs	<b>6,537</b>	5,003
Other Costs	<b>12,940</b>	16,226
<b>Total</b>	<b>79,607</b>	81,616

**7 Costs of charitable activities**

	Research	Advisory	<b>2008</b>	2007
	£	£	Total	Total
	£	£	£	£
Donations and grants to charities	-	3,230,465	<b>3,230,465</b>	1,034,259
Staff Costs	1,048,660	569,209	<b>1,617,869</b>	1,412,520
Travel & Subsistence	50,710	18,097	<b>68,807</b>	40,841
Recruitment, Training & Development	38,007	20,558	<b>58,565</b>	74,823
Consulting Fees	44,601	35,051	<b>79,652</b>	67,514
Publications, Data Services & Training	16,835	3,522	<b>20,357</b>	19,969
Printing & Distribution	98,664	1,476	<b>100,140</b>	19,078
Premises	137,688	75,450	<b>213,138</b>	203,827
IT, Telecoms & Equipment	70,311	38,584	<b>108,895</b>	36,316
Legal Costs	1,643	900	<b>2,543</b>	3,224
Marketing & PR	62,937	56,644	<b>119,581</b>	89,846
Accounting and Payroll Services	9,259	5,074	<b>14,333</b>	7,422
Unrecovered VAT	24,606	13,484	<b>38,090</b>	25,877
Insurance	2,570	1,408	<b>3,978</b>	3,199
Depreciation	-	-	-	21,016
Office Expenses & Other	13,741	12,052	<b>25,793</b>	14,355
<b>Total Costs</b>	<b>1,620,232</b>	<b>4,081,974</b>	<b>5,702,206</b>	<b>3,074,086</b>

## 8 Grant-making

Grants made during the year were in accordance with preferences stated by donor clients and were at the discretion of NPC's Trustees (see note 2).

Grants of £20,000 or over were made to the following organisations:

	2008 £ Restricted	2007 £ Restricted
<b>UK</b>		
The Global Witness Trust	140,000	-
Greenpeace UK	140,000	-
Wetlands International	130,000	-
Barnardo's	128,205	-
Childline/National Society for the Prevention of Cruelty to Children	128,205	-
Thurso High School	124,020	-
Wick High School	124,020	-
Plan UK	123,229	-
Medecins sans Frontieres	111,310	-
Chance UK	102,885	73,293
The Medical Foundation for the Care of Victims of Torture	100,000	-
Community Service Volunteers	96,155	-
The Lucy Faithfull Foundation	96,154	-
Beatbullying	96,120	64,102
Cancer backup (now Macmillan Cancer Support)	80,000	-
The Gold Standards Framework	75,000	-
The Place2Be	75,000	32,820
The Retired and Senior Volunteer Programme	67,734	-
Health Unlimited	55,000	-
The Motivation Charitable Trust	55,000	-
Maggie's Cancer Caring Centres	52,000	-
Shared Care Network	51,795	38,462
Flora and Fauna International	50,000	-
The Rainforest Foundation UK	50,000	-
St Joseph's Hospice	50,000	-
Volunteer Reading Help	50,000	-
The Lymphoma Association	45,000	-
Acorn's Children's Hospice Trust	42,525	-
The Carbon Disclosure Project	40,000	-
Epic Arts	35,000	-
Friends United Network	33,333	-
Pratham	33,333	-
Eighteen and Under	32,050	-
Worldwide Alternatives to Violence Trust	32,050	-
The Mango Tree	30,000	-
PlayPumps International	27,500	-
Rainbow Trust Children's Charity	27,244	45,614
Sibs	25,015	-
Bail for Immigration Detainees	25,000	-
Magic Me	25,000	-
The Children's Trust	23,975	-
The Galapagos Conservation Trust	22,000	-
The Shelterbox Trust	22,000	-

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Eastside Young Leaders Academy	20,834	-
Asylum Aid	20,000	-
The Children's Legal Centre	20,000	-
Core Arts	20,000	-
First Step Trust	20,000	20,000
Information Centre about Asylum and Refugees	20,000	-
Family Action in Rogerfield and Easterhouse	-	52,051
Inaura	-	39,000
Friends of the Earth Trust Limited	-	33,000
Centre 88 Resource Centre	-	28,557
Family Welfare Association (now Family Action)	-	26,858
The Children's Trust	-	25,641
Community Links for Ex-Offenders	-	25,000
Search Project	-	24,000
South Tyneside Arts Studio	-	24,000
Maytree Respite Centre	-	22,000
Advance	-	20,000
Clean Break Theatre Company	-	20,000
Contact a Family	-	20,000
Revolving Doors Agency	-	20,000
Salisbury World	-	20,000
Shannon Trust	-	20,000
<b>International</b>		
Thandanani Children's Foundation	22,483	-
Heal Africa	-	20,000
	<b>3,016,174</b>	<b>714,398</b>
Grants of less than £20,000	<b>214,291</b>	<b>319,861</b>
<b>Total Grants</b>	<b>3,230,465</b>	<b>1,034,259</b>

**9 Governance Costs**

	2008	2007
	£	£
Staff Costs	9,955	9,079
Recruitment, Training and Development	55	131
Consulting Fees	133	107
Premises, IT, Telecoms & Equipment	1,314	1,109
Audit Fees	6,410	8,075
Trustees' Indemnity Insurance	2,355	1,260
Legal Costs	10	15
Trustees' reimbursed expenses	2,540	591
Other Costs	615	554
<b>Total</b>	<b>23,387</b>	<b>20,921</b>

**10 Net incoming/outgoing resources for the year**

This is stated after charging:

	<b>2008</b>	2007
	<b>£</b>	£
Depreciation	-	17,249
Interest payable	<b>444</b>	749
Operating lease rentals		
- property	<b>18,241</b>	47,795
Auditors' remuneration		
- audit	<b>6,410</b>	8,075
- other services	-	-
Trustees' remuneration	-	-
Trustees' reimbursed expenses	<b>2,540</b>	591

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to two members (2007 one member) relating to attendance at meetings of the Trustees.

**11 Trustees' Remuneration**

The Trustees neither received nor waived any emoluments during the year (2007 £nil).

**12 Staff Costs**

	<b>2008</b>	2007
	<b>£</b>	£
Wages and salaries	<b>1,463,300</b>	1,284,249
Social security Costs	<b>160,315</b>	138,581
Pension Costs	<b>64,339</b>	59,156
<b>TOTAL</b>	<b>1,687,954</b>	1,481,986

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

	<b>2008</b>	2007
	<b>No.</b>	No.
£60,001 - £70,000	<b>1</b>	2
£70,001 - £80,000	<b>2</b>	1
£80,001 - £90,000	<b>1</b>	1

The company made contributions totalling £17,913 during the year to a defined contribution pension scheme with respect to these employees (2007 £18,570).

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

	<b>2008</b>	2007
	<b>No.</b>	No.
Research	<b>19</b>	14
Advisory	<b>9</b>	9
Marketing	<b>3</b>	4
Management & Governance	<b>3</b>	3
<b>TOTAL</b>	<b>34</b>	30

### 13 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 £63,840 (2007 £54,142). At 30 June 2008, contributions amounting to £7,712 (2007 £7,442) were payable to the scheme and are included in creditors.

### 14 Tangible Fixed Assets

The company capitalises fixed assets with a purchase price of more than £5,000.

<b>Group and Charity</b>	Computer Equipment £	Fixtures and Fittings £	<b>TOTAL</b> £
<b>Cost</b>			
At 1 July 2007	48,288	7,370	<b>55,658</b>
At 30 June 2008	48,288	7,370	<b>55,658</b>
<b>Depreciation</b>			
At 1 July 2007	48,288	7,370	<b>55,658</b>
Charge in the period	-	-	-
At 30 June 2008	48,288	7,370	<b>55,658</b>
<b>Net Book Value</b>			
At 1 July 2007	-	-	-
At 30 June 2008	-	-	-

### 15 Investments

During the year NPC was donated a bond, valued at £10,000, the value of which has not changed during the year and from which no income has been earned. The bond is due to mature in 2011 when the proceeds will be distributed as a grant in accordance with the original donor's preferences. The bond is held on behalf of NPC in a nominee account at Cazenove.

The charity's investment of £1 (2007 £1) in NPC Trading Ltd is also included in investments in the balance sheet of the charity with an equivalent amount shown in creditors.

**16 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 which succeeds to its charitable purpose. The company was dormant throughout the year.

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

	<b>2008</b>	2007
	£	£
Assets	<b>1</b>	1
Liabilities	<b>0</b>	0
Funds (represented by one share of £1)	<b>1</b>	1

**17 Debtors and Prepayments  
Group and Charity**

	<b>2008</b>	2007
	£	£
Trade debtors	<b>99,059</b>	54,127
Premises rent deposit	<b>47,243</b>	59,478
Prepayments	<b>58,049</b>	19,499
Grant income receivable	<b>12,700</b>	224,910
Other Debtors	<b>66,920</b>	6,624
	<b>283,971</b>	364,638

**18 Cash at Bank and in hand  
Group and Charity**

	<b>2008</b>	2007
	£	£
Cash and Bank deposit accounts	<b>259,849</b>	268,064
Managed cash fund	<b>25,425</b>	5,789
	<b>285,274</b>	273,853

**19 Creditors: amounts falling due within one year  
Group**

	<b>2008</b>	2007
	£	£
Trade creditors	<b>29,350</b>	20,607
Taxation and social security	<b>66,340</b>	56,967
Pensions	<b>7,712</b>	7,442
Donor client donations payable	<b>25,680</b>	36,577
Other creditors	<b>132,523</b>	27,291
Accruals	<b>11,145</b>	12,664
	<b>272,750</b>	161,548

**20 Analysis of Group net assets between funds**

	Restricted Funds £	General Funds £	Total £
<b>Fund balances at 30 June 2008 are represented by:</b>			
Fixed Assets Investments	-	10,000	<b>10,000</b>
Current assets	193,536	375,709	<b>569,245</b>
Current liabilities	-	(272,750)	<b>(272,750)</b>
<b>Total Net Assets</b>	<b>193,536</b>	<b>112,959</b>	<b>306,495</b>

**21 Restricted and unrestricted Funds**

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

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Advocacy	80,069	-	27,784	-	<b>52,285</b>
Child Mental Health	68,394	-	43,680	-	<b>24,714</b>
Homelessness	51,664	-	51,664	-	-
International	51,443	-	51,443	-	-
Turning the Tables	48,285	(7,191)	41,094	-	-
How to Fund	46,322	-	11,550	-	<b>34,772</b>
Autism	42,351	-	42,351	-	-
Violence against Women	34,808	-	34,808	-	-
Disabled children	13,907	-	13,907	-	-
Out of Hours	13,258	-	13,258	-	-
Lloyds TSB Scotland	-	48,000	48,000	-	-
Turning the Tables in England	-	45,874	45,874	-	-
Sport	-	40,000	-	-	<b>40,000</b>
Substance abuse	-	10,000	-	-	<b>10,000</b>
Tools	-	350	350	-	-
Other	-	200	-	-	<b>200</b>
Advisory donations	-	3,262,030	3,230,465	-	<b>31,565</b>
<b>Total restricted funds</b>	<b>450,501</b>	<b>3,399,263</b>	<b>3,656,228</b>	<b>-</b>	<b>193,536</b>
<b>Unrestricted funds:</b>					
General funds	26,442	2,235,489	2,148,972	-	<b>112,959</b>
<b>Total unrestricted funds</b>	<b>26,442</b>	<b>2,235,489</b>	<b>2,148,972</b>	<b>-</b>	<b>112,959</b>

**22 Contingent Liabilities**

There were no contingent liabilities at 30 June 2008 (2007 None).

**23 Commitments**

	<b>2008</b>	2007
	£	£
<b>Annual Commitments under non-cancellable operating leases are as follows:</b>		
Within one year	-	18,241

**24 Related Parties**

During the year, the charity provided advisory services on a normal commercial basis to one Trustee in relation to their charitable giving. Advisory fees totalling £1,875 (2007 £9,170) were charged for these services.

In January 2008 NPC made a grant of £128,205 to Barnardo's in accordance with the wishes of one of our advisory clients who made an equivalent donation to NPC (see note 2). Baroness Neuberger, who became a Trustee of NPC in March 2008, was a vice-president of Barnardo's at that time. Baroness Neuberger was not a Trustee of NPC at the time that the grant was made and did not participate in the decision to make the grant.

In July 2007, the daughter of one of our Trustees was employed by us for 4 weeks as an intern. Her total remuneration was £938.

In the normal course of business we were provided with a bulk emailing system by Charity Technology Trust for which we paid £1,496. Harvey McGrath, one of our Trustees, is also a trustee of Charity Technology Trust. He was not involved in the decision to purchase the system.

Rishi Khosla, one of NPC's Trustees, is CEO and founder of Copal Partners. In May 2008 NPC began a one year joint venture with Copal Partners to carry out research into charities in India. Rishi Khosla was not a Trustee of NPC when the decision to enter into the joint venture was taken.