



# **INSTITUTE OF FUNDRAISING**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31st MARCH 2014**

## **The Institute of Fundraising**

*Registered Charity Number in England and Wales 1079573 and in Scotland SC038971.  
Company Limited by Guarantee no. 3870883.*

### ***Our Objects***

- i) To advance or promote the efficiency of organisations established for charitable purposes throughout the United Kingdom (as defined in the Charities Act 2011)
- ii) To promote higher standards of administration and fundraising for charitable purposes (as so defined) throughout the United Kingdom
- iii) To educate the public in relation to the matters referred to in i) and ii) above, throughout the United Kingdom.

*Our Vision - **Excellent fundraising for a better world.***

*Our Mission – **to create the environment and understanding for fundraisers to excel.***

**Institute of Fundraising  
Annual Report of the Trustees  
For the Year Ended 31st March 2014**

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The Trustees are pleased to present their report, together with the financial statements of the charity for the year ending 31<sup>st</sup> March 2014.

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

Kath Abrahams	(Co-opted April 2013)
Mark Astarita	Chair from July 2011 (Co-opted, July 2008)
Irene Chambers	(Elected July 2012)
Joseph Cuff	(Elected, July 2011)
Helen Elliott	(Co-opted, April 2012)
Di Flatt	(Co-opted by Regional Group Chairs, July 2012)
Stephen George	(Elected, July 2011)
Julie Hunt	(Elected, July 2011)
Jasvir Kaur	(Elected, July 2010, retired July 2013)
Kevin Kibble	(Elected July 2012)
Charlotte King	(Elected, July 2010, retired July 2013)
Peter Maple	(Co-opted by Special Interest Group Chairs, July 2012)
Karen McKenzie	(Elected July 2013)
Gordon Michie	(Elected, July 2011)
Stephen Pidgeon	(Re-elected, July 2011)
Adrian Sargeant	(Elected July 2013)
Richard Taylor	(Co-opted, February 2011)
Lynda Thomas	(Co-opted April 2013)
Mags Tierney	(Elected July 2013)
Dawn Varley	(Elected, July 2010, retired July 2013)
Mike Wade	(Co-opted, September 2011)

Details of each current Trustee are available in the “about us” section of the Institute’s website: [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).

## **1. Strategic Objectives & Achievements 2013/14**

The Institute of Fundraising (IoF) was founded in 1983 by a committed group of fundraisers getting together to tackle fundraising issues – setting standards, sharing learning and representing fundraisers to government. 30 years on we are now the largest individual representative body in the voluntary sector with over 5,600 individual members and 420 organisational members. Yet although we are much bigger, this founding ethos remains at the heart of what we do – coming together to face the challenges we meet as fundraisers.

So 2013 was an important year for the IoF – our 30<sup>th</sup> birthday – and a chance for us to look back at past achievements and set ourselves exciting new challenges in the form of our new 5 year strategy.

We have set ourselves the objectives of supporting our members and the wider fundraising community by:

- a) Creating a better environment for fundraisers to raise money*
- b) Increasing the understanding of fundraising; and*
- c) Enabling fundraisers to be the best they can be.*

Our achievements as set out against these strategic objectives in 2013/14 are as follows:

### **1.1 Create a better environment for fundraisers to raise money**

#### **Deliver a strong and influential policy voice for fundraisers**

Throughout the year we represented and championed the fundraising community. Key successes and activities included:

- Made it easier for charities to raise money through influencing the Government's consultation on payroll giving with the government adopting two of our actions to take forward: building a government website to consolidate and update resources/material (including list of employers who offer a scheme); helping to facilitate agreement on a Service Level Agreement between Payroll Giving Agencies and charities.
- Strong representation for fundraising in ongoing discussions on the self-regulation of fundraising.
- Responded fully to the consultation on Gift Aid and Digital Giving and began work with Government on the way forward on the model declaration, helped

to test different declarations and worked to better understand how donors/public react to the wording used.

- Responded to Government consultation on Social Investment Tax Relief.
- Worked with the Lotteries Council on a new research report on society lotteries which we launched at an event in the House of Commons.
- Developed a strong fundraising manifesto for the 2015 General Election after consulting with our individual and organisational members.

**Provide the best possible membership and peer support to fundraisers at every stage of their career**

- Reviewed our individual and organisational membership offer
- Engaged almost 6,000 fundraisers through 200 volunteer-run conferences and networking events across the UK.
- We grew by 3% in terms of individual membership to end the year with 5,635 individual members.
- Supported 20,000 hours of volunteer time contributed through our volunteer-run National, Regional and Special Interest Groups.
- Supported our National and Regional Groups to deliver the Introductory Certificate in Fundraising in 8 areas around the UK.
- Strengthened our Groups by rolling out new Group Guidance to our volunteers across the UK.

**Deliver the best possible support to fundraising charities**

- Grew our organisational membership by 80 organisations to end the year with 420 organisational members.
- Reviewed our organisational and individual membership offer, to focus our support around policy and standards.
- Provided tailored training and qualifications to Christian Aid, Leonard Cheshire, Battersea Dogs & Cats Home, Action for Children and the British Red Cross.

- Hosted 12 developmental events for senior leaders in fundraising charities, including 4 director networks, 4 partnership roundtables, 1 policy roundtable, 1 philanthropy event for the Arts sector and 2 Strategy Forums.
- Produced the 2<sup>nd</sup> Fundraising Index to allow effective benchmarking between our members.
- Recruited 27 new corporate supporters to end the year with over 100 corporate supporters.

## **1.2            *Increase understanding of fundraising***

Throughout the year we increased the understanding of fundraising through profiling a wider range of fundraising initiatives through our website and communications work, researching and publishing reports and setting and communicating the standards we expect of fundraisers.

### **Champion inspiring fundraising**

- We celebrated the very best in 16 fields of fundraising through our popular National Awards ceremony.
- Remember A Charity, our long-standing legacy campaign was applauded for its partnership work with the Co-Operative Legal Services Group to encourage more people to leave a gift to charity in their Will.

### **Be a leading knowledge centre for fundraising and giving:**

- We published the Fundraising Index, research on grant-making, society lotteries and on major donors.
- We published the first ever research report analysing the diversity of the fundraising profession – a survey that was completed by almost 1,500 fundraisers.
- We published the 6<sup>th</sup> instalment in the Managing in a Downturn series, in collaboration with CFG and PwC.

### **Set the standards for fundraising:**

- Continued to work to strengthen the self-regulation of fundraising working with government, Fundraising Standards Board and Public Fundraising Regulatory Association.

### **1.3            *Enable fundraisers to be the best they can be***

We aim to be the leading provider of accessible fundraising resources and skills development across the UK. In 2013/14, we:

- Delivered an enhanced programme of 19 fundraising conferences across the UK, reaching over 2,400 delegates.
- Delivered the second Partners In Fundraising Awards recognising the fundraising achievements of many of the suppliers and corporate supporters to fundraising.
- Increased the number of people attending National Convention to over 2,500.

We continued to grow the number of fundraisers benefiting from professional development and qualifications through the IoF Academy:

- 887 fundraisers studied for our qualifications:
  - 654 studied the Introductory Certificate
  - 8 studied the Certificate In Direct Marketing
  - 55 studied the Certificate in Fundraising (face to face)
  - 110 studied the Certificate in Fundraising (online)
  - 53 studied the Diploma in Fundraising
  - 7 studied the Advanced Diploma in Fundraising
- 714 fundraisers benefited from our skills courses.
- Our small charities programme reached over 1,100 fundraisers.

We developed our work on innovation throughout our activities:

- Delivered our first major donor residential training programme to begin to address identified skills shortages, attended by 55 fundraisers.
- Developed and delivered a tailored leadership programme for senior fundraisers, with 14 emerging leaders participating in the first cohort.
- Piloted a Student Fundraising Scheme with the National Union of Students to deliver the Introductory Certificate to 20 students and link them to three charities.

We built and promoted professional development for fundraisers:

- By developing and introducing the Advanced Diploma in Fundraising.

- By launching a programme of fundraising training for the Heritage sector in partnerships with Heritage Alliance, National Archives and Northern Ireland Environment Link.
- By growing the number of members recording their CPD on our online system: over 500 online CPD records have been created since launch with 185 users logging-on between 1<sup>st</sup> April 2013 – 31<sup>st</sup> March 2014.

#### **1.4 *Remember A Charity***

Remember A Charity had a very successful 2013/14. RAC's ground-breaking partnership with the Cabinet Office and the Co-operative Legal Services showed that a simple nudge can treble the number of gifts left in wills, which has the potential to raise millions for good causes. An endorsement from the Minister for Civil Society also encouraged hundreds of solicitors and Will-writers to change the way they talk about good causes, helping to halve the numbers of advisors who 'never' talk about charity to their clients. RAC also launched a nationwide poster campaign across 6,000 bus shelters last summer, which was donated as part of a new strategic partnership with Clear Channel to overcome a lack of awareness about legacies.



## **2. Plans for 2014/15**

We remain first and foremost the professional membership body for fundraisers – with a primary role to support, develop and represent fundraisers. We are also a member-led organisation, with much of our strength relying on the insight, understanding and practical experience of our members, involved in our decision-making and delivery through our Board, sub-committees and National, Regional and Special Interest Groups.

Over the course of the year we will continue our work with our Membership Committee to develop a seamless membership experience between individual members, organisational members, and our Groups, and further strengthen our membership proposition to make the IoF a “must join” organisation for any fundraiser or fundraising organisation.

Preliminary discussions took place during 2013/14 with the Institute of Legacy Management (ILM) in relation to a potential merger between the IoF and the ILM. Work is ongoing in 2014/15.

We believe Chartered Status would bring with it a range of benefits to fundraisers, from status and recognition of the profession to continuing to drive up standards through training and qualifications. We would like to achieve Chartered status within 4 years.

We are also acutely aware of the external environment we are working in. Austerity is the new normal; public spending is being reduced whilst demand on charities here and abroad is rising; and all political parties believe in a greater role for the charitable sector. That combination of factors means that charities need to be able to raise more funding to pay for their services to beneficiaries. So during the year we will launch our Manifesto for Fundraising, setting out our offer to the political parties as to how we will help charities secure more resources, whilst setting out clear asks of the government to be elected in May 2015.

We will continue to prioritise our work around setting the standards for fundraising and campaigning on behalf of fundraisers and fundraising organisations to reflect the fact that the collective voice of our organisational members is one of our most powerful assets, and that our work on setting the standards is a significant benefit for our organisational members.

At the same time our members have made it clear that we should not restrict our services just to them. Our vision of excellent fundraising for a better world means we must reach out to the wider fundraising community, and upskill all people involved in fundraising – whether as volunteers, trustees, staff or CEOs.

We must also lead thinking, support innovation and spread good practice between organisations and fundraisers.

In order to achieve our objectives we need to grow our membership, grow the support we receive from partner organisations, and grow our professional development programmes.

In 2014/15 we will pursue our objectives by delivering the following:

## **2.1            *Create a better environment for fundraisers to raise money***

### **Deliver a strong and influential policy voice for fundraisers:**

- Develop, promote and secure commitments from political parties to our Fundraising Manifesto for the 2015 election.
- Take forward, as appropriate, the PwC review of the self-regulation of fundraising through ongoing work with UK and Scottish Governments, Charity Commission, OSCR, FRSB and PFRA.

### **Provide the best possible membership and peer support to fundraisers at every stage in their career:**

- Develop a pilot Student Fundraising Scheme.
- Roll out our Future Leaders programme.
- Support at least 10 of our National and Regional Groups to deliver the Introductory Certificate in Fundraising.

### **Deliver the best possible support to fundraising charities:**

- Work with at least 5 organisational members to deliver innovative and effective in-house professional development programmes.
- Hold at least 12 developmental events for senior leaders in fundraising charities.
- Produce the 3rd Fundraising Index to allow effective benchmarking between our members.

## **2.2            *Increase understanding of fundraising***

### **Champion inspiring fundraising to the general public:**

- Develop and deliver a powerful Proud to be a Fundraiser campaign.
- Increase the number of nominations to our National and Partners in Fundraising Awards Ceremonies.
- Increase our digital reach to fundraisers through our website and social media.

### **Be a leading knowledge centre for fundraising and giving:**

- Research and publish at least 4 reports on fundraising.
- Further develop our Research Portal.

### **Set the standards for fundraising:**

- Continually review the Code of Fundraising Practice and Guidance to ensure standards evolve alongside fundraising practice.
- Engage fully in the Charity Law Review with a view to increasing public trust and confidence in charities through effective standard setting.

## **2.3            *Enable fundraisers to be the best they can be***

### **Be the leading provider of accessible fundraising resources and skills development across the UK:**

- Deliver an enhanced programme of at least 10 fundraising conferences across the UK.
- Continue to develop the National Convention in 2014 in a way that maximises impact for the fundraising community.
- Continue to grow the number of fundraisers benefiting from professional development and qualifications through the IoF Academy.
- Deliver the 2<sup>nd</sup> Major Donor Residential training programme.
- Develop our work on innovation throughout our activities.

**Offer tailored services to meet the diverse needs of fundraisers and their organisations:**

- Deliver the first Advanced Diploma programme to at least 8 senior fundraisers.
- Launch the Giving to Heritage Programme.
- Develop the Future Leaders Programme to reach more people.

**Build and promote professional development for fundraisers:**

- Increase the number of members planning and recording their CPD.
- Work towards obtaining Chartered status.

**Remember A Charity**

- Remember A Charity's plans for 2014/15 include new trials with the Cabinet Office's Behavioural Insight Team, a new £3m nationwide advertising campaign and supporting RAC's members through an integrated PR and marketing drive during Remember A Charity Week.

### **3. Review of Financial Position**

#### **3.1 Introduction**

In total the Institute had incoming resources of £4,682,826 (against £4,534,936 in 2012/13) and outgoing resources of £4,632,453 (against £4,776,908 in 2012/13). This resulted in a total surplus of £50,373 (against £241,972 deficit in 2012/13).

Our current year's free reserves level increased by £210,988 compared with 2012/13. In the long term, the Institute hopes to maintain reserves at a healthy level, and make investments in its growth as necessary. The economic climate looks set to remain challenging over the coming years and the Institute is committed to making the best use of its resources to support fundraisers and fundraising in this environment.

The main areas of restricted or designated fund activity are the Remember A Charity campaign, the Payroll Giving programme, the Scottish Office (partly funded by a Scottish Government grant) and the Welsh Office. The Institute also received income from its Strategic Partnership with the OCS and commenced delivering on the Giving to Heritage programme (in partnership with the Heritage Alliance and funded by the Heritage Lottery Fund) and a mentoring programme with the London Region (funded by the City Bridge Trust). Note 11 to the accounts provides further details.

#### **3.2 Reserves Policy**

The Institute's reserves policy focuses on the level of its free reserves. Free reserves are defined as net assets excluding restricted funds and designated funds.

In 2012/13 the Board of Trustees of the Institute decided to move to a risk-based reserves policy. This decision was taken to ensure that the Institute was better reflecting the required level of reserves in line with its current business model. This policy takes high and medium risks established as part of the annual planning process and feeds them into the budget for the year to provide a composite picture of the overall impact of retained risk on free reserves.

This approach is designed to enable the retention of sufficient free reserves to:

- fund working capital;
- fund unexpected expenditure when unplanned events occur;
- fund shortfalls in anticipated income.

Following a review of the risks to which the charity is exposed, the Board of Trustees consider that in order to meet these needs, and to operate as effectively as possible under the strategy, the Institute should hold free reserves of approximately £470,000 across the requirements below:

- the financial impact of the medium and high operating risks identified in the 2014/15 budget;
- unplanned opportunities.

As at 31st March 2014, our free reserves amount to £527,641.

### **3.3            *Investment Powers and Policy***

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Trustees see fit.

The Trustees delegate the management of investments to the Finance and Resources Committee. All of the Institute's excess cash funds are held on varied term deposits, at the best rates available, in order to minimise investment risk.

### **3.4            *Risk Assessment***

The Trustees have introduced a continuous process of risk assessment that examines key areas of risk at Trustee meetings. The Director of Business Development and Finance is tasked with reporting back to the Trustees about the implementation of agreed systems to manage identified areas of risk. The Trustees are satisfied that the major risks to which the Institute is exposed have been reviewed and systems have been established to manage those risks.

## **4. Structure, Governance and Management**

### **4.1 Governing Document and Appointment of Trustees**

The Institute of Fundraising is governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator. The Institute is a company limited by guarantee with the Trustees as directors. Peter Lewis is the CEO.

10 Trustees are elected by the membership and are announced at the Annual General Meeting, which takes place in July each year. Up to 8 further Trustees may be co-opted at any time, 2 of whom should be the elected Chairs of the Regional Groups and Special Interest Groups ("Group Trustees").

Elected Trustees serve a term of three years and may be appointed to serve for one further term. Group Trustees serve for a one year period, and may be reappointed up to a maximum of 6 years. The other 6 co-opted Trustees serve a term of three years and may be appointed to serve for one further term.

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

Following the elections held in 2013, it was announced at the Annual General Meeting on Tuesday 2nd July 2013 that Karen McKenzie, Adrian Sargeant and Mags Tierney had been elected.

Di Flatt was co-opted as Chair of the National and Regional Chairs Group and Peter Maple was co-opted as Chair of the Special Interest Group Chairs Group.

The following Trustees have been co-opted: Mark Astarita, Helen Elliott, Richard Taylor, Mike Wade, Lynda Thomas and Kath Abrahams.

During the year Jasvir Kaur, Charlotte King and Dawn Varley stepped down as Trustees and are thanked for their contributions to the Board.

Stephen George was appointed Vice Chair in April 2013.

### **4.2 Trustee Induction and Training**

A training and induction day takes place adjacent to the first full Trustee meeting each September. All Trustees are issued with a full set of documents covering governance, the committee and decision-making process, the business plan and recent financial performance of the charity. The Trustee away-day focuses on the strategic direction of the Institute and also involves the organisation's Executive Management Board.

### **4.3 Organisation**

The Board convenes every quarter for a meeting that examines performance, finance, strategy and risk. Clearly laid out responsibilities are defined for the Trustee body. Delegated powers are given to the Finance and Resources Committee to look at finance, HR, IT, investment and property matters. This is chaired by the Honorary Treasurer, who is also a Trustee, and the committee is composed of a mix of Trustees and non-Trustees appointed for their technical skills and experience.

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

- The Finance and Resources Committee;
- The National Convention Board;
- The Standards Committee;
- The Policy Advisory Board;
- The Learning and Development Committee;
- The Remember A Charity Steering Committee;
- The Nominations Committee;
- The Membership Committee.

Trustees either chair or are members of each of these committees thereby creating an additional control on the information that is accessible to the full Board. The CEO leads an Executive Management Board made up of the Director of Business Development and Finance, Director of Professional Development and Individual Membership, and Director of Policy and Communication.



## 5. Public Benefit Statement

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

Further details regarding charities and public benefit can be found at: <http://www.charitycommission.gov.uk/detailed-guidance/charitable-purposes-and-public-benefit/>

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

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

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

The services that we deliver cover our strategic objectives as set out. Many of these services are open to all, for example training courses and conferences can be accessed by non-members, whilst our policy and campaigning work also benefits those in the wider fundraising community. Institute of Fundraising membership is open to organisations or people employed by a charity or business with responsibility for, or an interest in, fundraising.

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

All Trustees give their time voluntarily and receive no benefit from the charity. Any expenses reclaimed from the charity are set out in note 6 to the financial statements.

## **6. Trustees' Responsibilities**

Company law requires that the Board of Trustees prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that year. In preparing these financial statements, the Board of Trustees has:

- Selected suitable accounting policies and applied them consistently;
- Observed the methods and principles in the Charities SORP;
- Made judgments and estimates that are reasonable and prudent;
- Followed applicable accounting standards and statements of recommended practice without any material departures;
- Prepared the financial statements on the going concern basis.

The Board of Trustees is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **7. Disclosure of Information to Auditors**

The Trustees have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by the Trustees on 19 June 2014  
And signed on their behalf by

.....  
Mark Astarita, Chair

We have audited the financial statements of the Institute of Fundraising for the year ended 31<sup>st</sup> March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Trustees' Responsibilities Statement set out on page 17 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Annual Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the charity has not kept proper and adequate accounting records 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.

**Alistair Fraser (Senior Statutory Auditor)**

**for and on behalf of Mazars LLP**

**Chartered Accountants and Statutory Auditor**

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date

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

Institute of Fundraising  
Statement of Financial Activities  
For the Year Ended 31st March 2014

	Notes	Unrestricted Funds			Total Funds 2014 £	Total Funds (restated) 2013 £
		General	Designated	Restricted		
		Funds £	Funds £	Funds £		
<b>Income and Expenditure</b>						
<b><u>Incoming Resources From Generated Funds</u></b>						
<b>Voluntary Income</b>						
Donations and Legacies		-	-	-	27,509	
<b>Investment Income</b>						
Interest		776	-	776	6,386	
<b>Activities for Generating Funds</b>	<b>2</b>	174,025	-	174,025	255,563	
<b><u>Incoming Resources From Charitable Activities</u></b>	<b>3</b>					
Create a better environment for fundraisers to raise money		915,654	-	847,737	1,688,247	
Increase understanding of fundraising		-	-	148,500	79,500	
Enable fundraisers to be the best they can be		1,965,743	290,299	340,092	2,452,049	
<b><u>Other Incoming Resources</u></b>						
Other		-	-	-	25,682	
<b>Total Incoming Resources</b>		<b>3,056,198</b>	<b>290,299</b>	<b>1,336,329</b>	<b>4,682,826</b>	
<b>Resources Expended</b>						
<b><u>Costs for Generating Funds</u></b>	<b>2</b>	185,140	11,151	-	196,291	
<b><u>Charitable Activities</u></b>	<b>4</b>					
Create a better environment for fundraisers to raise money		690,714	18,918	948,931	1,649,809	
Increase understanding of fundraising		41,338	6,204	157,403	277,522	
Enable fundraisers to be the best they can be		1,901,689	333,542	311,096	2,629,050	
<b><u>Governance Costs</u></b>	<b>5</b>	26,327	-	-	29,938	
<b>Total Resources Expended</b>		<b>2,845,208</b>	<b>369,815</b>	<b>1,417,430</b>	<b>4,776,908</b>	
<b>Net incoming/(Outgoing) Resources For the Year</b>		<b>210,990</b>	<b>(79,516)</b>	<b>(81,100)</b>	<b>(241,972)</b>	
<b>Balances Brought Forward at 1st April 2013</b>	<b>11,12</b>	<b>316,651</b>	<b>335,603</b>	<b>310,025</b>	<b>962,279</b>	
<b>Balances Carried Forward at 31st March 2014</b>	<b>11,12</b>	<b>527,641</b>	<b>256,087</b>	<b>228,924</b>	<b>1,012,652</b>	

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

All incoming resources and resources expended derive from continuing activities.

The comparative figures have been re-classified in order to reflect the key strategic activities of the charity. There has been no adjustment to the net outgoing resources for the previous year.

Institute of Fundraising  
 Balance Sheet  
 As at 31st March 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		103,543		200,667
<b>Current assets</b>					
Debtors and prepayments	9	940,072		1,029,878	
Cash at bank and in hand		<u>1,218,604</u>		<u>826,044</u>	
		2,158,676		1,855,922	
<b>Creditors : Amounts falling due within one year</b>					
	10	<u>1,249,567</u>		<u>1,094,310</u>	
<b>Net current assets</b>					
			909,109		761,612
<b>Total net assets</b>					
			<u>1,012,652</u>		<u>962,279</u>
<b>Funds</b>					
Unrestricted:					
General	11		527,641		316,651
Designated	11		256,087		335,603
Restricted:					
	11		228,924		310,025
			<u>1,012,652</u>		<u>962,279</u>

Approved by the Trustees on  
 And signed on their behalf by

19-Jun-14

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 Mark Astarita  
 Chairman of Trustees

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 Helen Elliott  
 Hon. Treasurer

## **1. Accounting Policies**

### **1.1 Accounting Convention and Basis of Preparation**

The financial statements are prepared under the historical cost convention and comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" revised 2005, applicable accounting standards and the Companies Act 2006.

During the year there has been a review of the basis of cost allocation and the basis of allocation has been updated. Accordingly the comparative figures for the year ending 31<sup>st</sup> March 2013 have been restated.

### **1.2 Incoming Resources**

Income from training courses, sponsorship, exhibitions and advertising is credited to the Statement of Financial Activities when the related activity occurs. All other items of income, except assessment fees received in advance, are credited to the Statement of Financial Activities in the year in which they are received. Assessment fees received in advance are credited in the period in which the assessments are carried out.

### **1.3 Tangible Fixed Assets**

Office equipment and furniture and fittings costing more than £500 are capitalised and are depreciated at rates calculated to write off each asset evenly over an expected life of 4 years. Minor purchases of office furniture and equipment are written off to the Statement of Financial Activities in the year of acquisition.

### **1.4 Allocation of Expenditure**

Costs of charitable activities consist of all expenditure directly related to these activities along with an appropriate proportion of support costs. Support costs have been allocated across each of the charitable activities using an appropriate basis. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

### **1.5 Leases**

Operating lease charges are taken to the Statement of Financial Activities on a straight-line basis over the period of the lease.

### **1.6 Pension Costs**

The charity makes contributions to personal pension schemes for all employees that choose to make a personal contribution. All amounts paid by the charity are charged to the Statement of Financial Activities as incurred.

### **1.7 Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements"

### **1.8 Funds**

Restricted funds are to be used for specific purposes as laid down by the donor (see Note 11). Expenditure that meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

## 2 Analysis of Fund Generating Activities

<b>Activities for Generating Funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Corporate Support	120,628	139,813
Web Development	34,897	45,000
Corporate Sponsorship	18,500	70,750
	<b>174,025</b>	<b>255,563</b>

<b>Costs for Generating Funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Staff Costs	80,306	109,129
Web Development	25,974	6,086
Corporate Sponsorship	1,850	1,548
Other Costs	2,708	10,609
Support Costs	85,453	63,217
	<b>196,291</b>	<b>190,589</b>



Institute of Fundraising  
Notes to the Financial Statements (Cont'd)  
For the Year Ended 31st March 2014

3 Incoming Resources From Charitable Activities

	2014	2014	2014	Total Funds 2014	Total Funds 2013 (restated)
	£	£	£	£	£
<b>Unrestricted Funds</b>					
Individual Membership	470,131	-	-	470,131	435,806
Organisational Membership	445,523	-	-	445,523	408,059
National Convention, Conferences & Events Academy	-	-	1,309,373	1,309,373	1,214,394
Other Professional Development Income	-	-	582,805	582,805	556,369
Regional & Special Interest Groups	-	-	74,885	74,885	96,791
	-	-	288,979	288,979	311,229
	<b>915,654</b>	<b>-</b>	<b>2,256,042</b>	<b>3,171,696</b>	<b>3,022,648</b>
<b>Restricted Funds</b>					
Wales Office	-	-	16,106	16,106	16,915
Big Lottery Grant (Wales)	-	-	13,902	13,902	-
Scottish Office (with Govt. Grant)	-	-	48,601	48,601	50,101
Remember A Charity	847,737	-	-	847,737	889,382
Policy Projects	-	56,500	-	56,500	34,500
Payroll Giving	-	92,000	-	92,000	-
City Bridge Trust	-	-	30,250	30,250	-
Heritage Lottery Fund	-	-	18,179	18,179	-
OCS Strategic Partner & Small Charities Programme	-	-	213,054	213,054	206,250
	<b>847,737</b>	<b>148,500</b>	<b>340,092</b>	<b>1,336,329</b>	<b>1,197,148</b>
<b>Total</b>	<b>1,763,391</b>	<b>148,500</b>	<b>2,596,134</b>	<b>4,508,025</b>	<b>4,219,796</b>

Institute of Fundraising  
Notes to the Financial Statements (Cont'd)  
For the Year Ended 31st March 2014

4 Analysis of Costs of Charitable Activities	2014	2014	2014	Total Funds 2014	Total Funds 2013 (restated)
	£	£	£	£	£
	Create a better environment for fundraisers to raise money	Increase understanding of fundraising	Enable fundraisers to be the best they can be		
<b>Unrestricted Funds</b>					
Membership Services	564,655	-	-	564,655	565,514
National Convention, Conferences & Events	-	-	1,102,471	1,102,471	1,072,326
Academy	-	-	430,553	430,553	497,641
Other Professional Development costs	-	-	137,240	137,240	120,480
Regional & Special Interest Groups	-	-	271,371	271,371	309,591
Support costs	144,977	47,542	293,596	486,115	523,280
	<b>709,632</b>	<b>47,542</b>	<b>2,235,231</b>	<b>2,992,405</b>	<b>3,088,832</b>
<b>Restricted Funds</b>					
Wales Office	-	-	31,266	31,266	53,493
Big Lottery Grant (Wales)	-	-	13,902	13,902	-
Scottish Office (with Govt. Grant)	-	-	33,390	33,390	55,301
Remember A Charity	818,281	-	-	818,281	812,311
Policy Projects	-	56,500	-	56,500	124,830
Payroll Giving	-	63,909	-	63,909	100,364
City Bridge Funding Expenditure	-	-	208	208	-
Heritage Lottery Expenditure	-	-	4,066	4,066	-
Small Charities Prog. (OCS Strategic Grant)	-	-	213,054	213,054	206,250
Support costs	130,650	36,994	15,210	182,854	115,000
	<b>948,931</b>	<b>157,403</b>	<b>311,096</b>	<b>1,417,430</b>	<b>1,467,549</b>
<b>Total</b>	<b>1,658,563</b>	<b>204,945</b>	<b>2,546,327</b>	<b>4,409,835</b>	<b>4,556,381</b>

Institute of Fundraising  
Notes to the Financial Statements (Cont'd)  
For the Year Ended 31st March 2014

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4 Cont'd Allocation of Support Costs

Support costs have been apportioned on the basis of predetermined percentage allocations based on staff time.

	<b>Basis of Allocation</b>	<b>Create a better environment for fundraisers to raise money</b>	<b>Increase understanding of fundraising</b>	<b>Enable fundraisers to be the best they can be</b>	<b>Cost of Generating funds</b>	<b>Restricted funds</b>	<b>2014 Total</b>	<b>2013 Total (restated)</b>
<b>Support Cost</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Irrecoverable VAT (See Note 7)	Staff Time	19,436	6,374	39,360	11,456	24,514	<b>101,140</b>	<b>87,222</b>
Depreciation	Staff Time	18,918	6,204	38,311	11,151	23,860	<b>98,444</b>	<b>108,446</b>
Operating leases - buildings	Staff Time	21,895	7,180	44,342	12,906	27,616	<b>113,939</b>	<b>118,092</b>
- other	Staff Time	1,792	587	3,625	1,055	2,257	<b>9,316</b>	<b>9,313</b>
Miscellaneous	Staff Time	82,936	27,197	167,958	48,885	104,605	<b>431,581</b>	<b>378,423</b>
<b>Total Allocated</b>		<b>144,977</b>	<b>47,542</b>	<b>293,596</b>	<b>85,453</b>	<b>182,854</b>	<b>754,420</b>	<b>701,496</b>

**Institute of Fundraising**  
**Notes to the Financial Statements (Cont'd)**  
**For the Year Ended 31st March 2014**

**5 Governance Costs**

	<u>2014</u>	<u>2013</u>
	£	£
Auditors' fees	13,400	13,241
Trustees meeting costs	927	4,589
Office and other costs	<u>12,000</u>	<u>12,000</u>
	<u><b>26,327</b></u>	<u><b>29,830</b></u>

**6 Staff Costs**

	<u>2014</u>	<u>2013</u>
	£	£
Wages and salaries	1,463,701	1,627,051
Social security costs	150,311	157,337
Pension contributions	<u>57,265</u>	<u>50,268</u>
	<u><b>1,671,277</b></u>	<u><b>1,834,655</b></u>

During the year employees earning in excess of £60,000 per annum, including taxable fell into the following ranges.

	<u>2014</u>	<u>2013</u>
	Number	Number
£80,000 - £89,888	1	-
£70,000 - £79,999	-	1
£60,000 - £69,999	<u>3</u>	<u>3</u>

The total amount of pension benefits paid for these four employees was £16,276 (2013: £15,161).

The total sum of £2,581 (2013: £2,722) was reimbursed to 6 (2013: 6) trustees in respect of travelling expenses. Neither the trustees nor any persons connected with them received any remuneration during the year.

The total sum of £30,262 (2013: £11,571) was paid to 2 (2013: 1) trustees: Mr Stephen Pidgeon received £2,040 in respect of professional development training services during the year and a company of which Professor Adrian Sargeant is a director received £28,222, in respect of professional development training and curriculum development services during the year.

The average number of employees analysed by function was:

	<u>2014</u>	<u>2013</u>
	No.	No.
Costs for generating funds	2	2
Create a better environment for fundraisers to raise money	15	17
Increase understanding of fundraising	4	4
Enable Fundraisers to be the best they can	17	20
	<u><b>38</b></u>	<u><b>41</b></u>

**Institute of Fundraising**  
**Notes to the Financial Statements (Cont'd)**  
**For the Year Ended 31st March 2014**

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**7 Value Added Tax**

The charity is partially exempt for VAT and cannot recover all the VAT it pays. Irrecoverable VAT amounted to £195,623 (2013: £170,648).

**8 Tangible Fixed Assets**

	<b>Office Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£
All used for direct charitable purposes			
<b>Cost</b>			
At 1st April 2013	445,125	47,913	493,038
Additions	1,320	-	1,320
Disposals	(58,139)	-	(58,139)
At 31st March 2014	<b>388,306</b>	<b>47,913</b>	<b>436,219</b>
<b>Depreciation</b>			
At 1st April 2013	279,957	12,414	292,371
Charges for the year	86,530	11,914	98,444
Disposals	(58,139)	-	(58,139)
At 31st March 2014	<b>308,348</b>	<b>24,328</b>	<b>332,676</b>
<b>Net book value</b>			
At 31st March 2014	<b>79,958</b>	<b>23,585</b>	<b>103,543</b>
At 1st April 2013	<b>165,168</b>	<b>35,499</b>	<b>200,667</b>

**9 Debtors and Prepayments**

	<b>2014</b>	<b>2013</b>
	£	£
Trade Debtors - Unrestricted	271,773	280,989
Trade Debtors - Restricted	419,764	615,028
Accrued Income	106,269	-
Other Debtors	3,710	5,556
Prepayments	138,556	128,305
	<b>940,072</b>	<b>1,029,878</b>

Institute of Fundraising  
Notes to the Financial Statements (Cont'd)  
For the Year Ended 31st March 2014

10 Creditors - Amounts falling due within one year

	2014 £	2013 £
Trade creditors	175,960	94,434
VAT	20,231	16,121
Taxation and Social Security costs	46,475	52,766
Other Creditors	167,817	64,551
Accruals & Deferred income	839,084	866,438
	<b>1,249,567</b>	<b>1,094,310</b>

11 Movement in funds

	At 1st April 2013 £	Incoming Resources £	Outgoing Resources £	At 31 <sup>st</sup> March 2014 £
Unrestricted Funds				
General	316,651	3,056,198	(2,845,208)	527,641
Designated Funds - Regional and Special Interest Groups	134,936	288,979	(271,371)	152,544
- Tangible fixed assets	200,667	1,320	(98,444)	103,543
Sub Total Designated Funds	335,603	290,299	(369,815)	256,087
Total Unrestricted Funds	652,254	3,346,496	(3,215,023)	783,728
Restricted Funds				
Wales Office	15,159	16,106	(31,266)	0
Big Lottery Grant (Wales)	-	13,902	(13,902)	0
Bursary Fund	2,019	-	-	2,019
Remember A Charity	283,944	847,737	(948,932)	182,749
Payroll Giving	8,903	92,000	(100,903)	-
Policy Projects	-	56,500	(56,500)	-
City Bridge Funding	-	30,250	(208)	30,042
Heritage Lottery Funding	-	18,179	(4,066)	14,113
Scottish Office (with Scotland Government Grant)	-	48,600	(48,599)	-
OCS Strategic Partner & Small Charities Programme	-	213,054	(213,054)	-
Total Restricted Funds	310,025	1,336,329	(1,417,430)	228,924
Total Funds	<b>962,279</b>	<b>4,682,826</b>	<b>(4,632,453)</b>	<b>1,012,652</b>

### **The Wales Office**

Funding was received in 2013-14 via WCVA relating to the delivery of the Tax Effective Giving Project and the Welsh Office secured funding from the Big Lottery Fund to “Build Fundraising Capacity & Financial Resilience within the Welsh Voluntary Sector”, which is a three-year programme.

### **The Bursary Fund**

This is available for the Trustees to make grants for professional development purposes. The residue will be spent in 2014/15.

### **Remember A Charity**

Remember A Charity is the Institute’s long-term project to increase legacy giving to charity. In 2013/14, Remember A Charity continued to spend down its restricted fund.

### **Payroll Giving Centre**

The Institute was funded to run a generic payroll giving promotion campaign by the OCS.

### **Policy Projects**

Policy Projects include research into the diversity of the fundraising sector funded by Barrow Cadbury, support from the OCS to undertake due diligence with reference to the Institute’s potential merger with the Institute of Legacy Management, and a consultancy into the future of Self Regulation in fundraising.

### **City Bridge Funding**

We secured funding during the year for a three-year programme of mentoring, funded by the City Bridge Trust, which will be delivered in partnership with our London Region.

### **Heritage Lottery Fund**

We secured funding during the year for a two year programme, funded by the Heritage Lottery fund and delivered in partnership with the Heritage Alliance, which will build fundraising capacity in the Heritage Sector.

### **Scottish Office**

The Institute receives grants from the Scottish Government for the purpose of funding our activities in Scotland.

### **OCS Strategic Grant - Core Funding**

This reporting year is the eighth year we have benefited from a Strategic Partner grant from the OCS. We also received funding to provide fundraising training to the small charity sector.

**12 Analysis of Net Assets  
between Funds**

	<b>General Funds 2014 £</b>	<b>Designated Funds 2014 £</b>	<b>Restricted Funds 2014 £</b>	<b>Total Funds 2014 £</b>	<b>Total Funds 2013 £</b>
Tangible assets	-	103,543	-	103,543	200,667
Debtors	520,308	-	419,764	940,072	1,029,878
Cash at bank and in hand	545,998	152,544	520,062	1,218,604	826,044
Creditors: Amounts falling due within one year	(538,665)	-	(710,902)	(1,249,567)	(1,094,310)
	<b>527,641</b>	<b>256,087</b>	<b>228,924</b>	<b>1,012,652</b>	<b>962,279</b>

**13 Operating lease commitments**

The charity had annual commitments at the year end under operating leases expiring as follows:

	<b>Property</b>		<b>Equipment</b>	
	<b>2014 £</b>	<b>2013 £</b>	<b>2014 £</b>	<b>2013 £</b>
Leases that expire:-				
Within 1 year	74,857	-	-	-
Between 1-5 years	-	123,913	8,610	7,224
	<b>74,857</b>	<b>123,913</b>	<b>8,610</b>	<b>7,224</b>



**Institute of Fundraising**  
**Reference and administrative details**  
**For the Year Ended 31<sup>st</sup> March 2014**

**Charity number** England and Wales 1079573, Scotland SC038971

**Company number** 03870883

**Registered office** Park Place  
12 Lawn Lane  
London  
SW8 1UD

**Auditors** Mazars LLP  
Times House  
Throwley Way  
Sutton  
Surrey SM1 4JQ

**Bankers** National Westminster Bank PLC  
358 South Lambeth Road  
London  
SW8 1UR

**Solicitors** Bates, Wells & Braithwaite London LLP  
2-6 Cannon Street  
London  
EC4M 6YH

**Directors and Trustees** The directors of the charitable company (“the charity”) are its Trustees for the purpose of charity law and throughout the report are collectively referred to as “the Trustees”.