



Annual Report 2019/20
New Philanthropy Capital

NPCIgnites

#NPCIgnites @NPCthinks

Connect.
Challenge.
Change.

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NPC



#NPCignites COVID-19

Connect.
Challenge.

Introduction from our Chair

Wherever you look, and whoever you ask, it's painfully clear that we are all enduring one of the most profound crises most of us have ever witnessed. Even now there is still much about coronavirus we do not know, but we do know it is putting unprecedented demands on charities while dramatically impacting funding. Yet charities have responded, and even in the midst of uncertainty, many have been thinking about how to bounce back. As they do so, our mission will continue to be to help philanthropists and the charity sector to maximise social impact in the lives of the people they serve.

Our charity experts will be there to help charities, foundations, philanthropists, social enterprises, impact investors, businesses, public sector bodies and others with anything from individual advice, to one-off research projects, or large-scale programmes and learning partnerships.

Where appropriate, we'll be publishing what we learn through our free resources so others can benefit. Through research, opinion pieces, topical events and our annual NPC Ignites conference, we're confronting the big questions and providing a platform for insight and challenge.

All charities need the right conditions to achieve change; the right policy, the right infrastructure, the right funding. Often these challenges are beyond any individual charity's control. So we're working to improve structures like power dynamics, effective philanthropy, impact investing, and the use of digital and data.

Charities and funders are also impacted by central and local government. We want to create a policy and regulatory environment that supports the sector to do its best work.

As a charity ourselves, we rely on the generosity of our supporters, so thank you to everyone who has worked with us, whether as a funder, a client, an event attendee, or one of the many who read our work and put it into practice. Creating an impactful social sector takes all of us.

Vaughan Lindsay, Chair of Trustees



Introduction from our Chief Executive

It's been a tough time for all of us, especially the charity sector. In many ways, the period this report covers was two distinct halves – before and during covid. It's hard to remember when our lives weren't dominated by zoom, face masks, and hand sanitiser.

We set out to inspire bold leadership in the sector and to be a challenging and independent voice; to help the sector move from 'in principle' to 'in practice'; and to develop new ideas to help the social sector overcome the everchanging challenges they and their beneficiaries face.

We believe these goals are just as relevant to a crisis as they are in normal times. So whilst we pivoted to do what we could to help with the covid situation, our overall objectives remained unchanged and ever more important: to help the charity sector be as impactful as it can be, to do the most good possible.

Clearly covid has dominated, but we also have the disruption of Brexit and a climate crisis growing more urgent by the day. Social inequality was put firmly into the spotlight by the Black Lives Matter movement and the unequal impact of covid on different communities. As we reflect on our achievements and challenges, we hope to continue to help philanthropists, charities and policy makers navigate the new reality and its challenges, and to spark debate about what it all means for the future of charity.

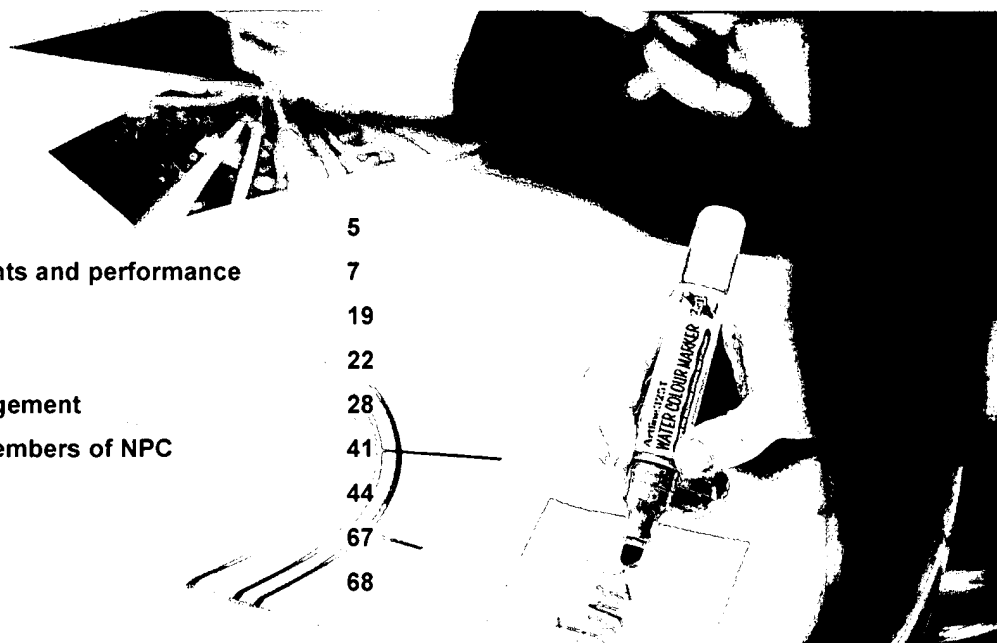
In what has been a difficult and tiring year I would like to thank my trustees for their full support and engagement. We are very lucky to have such a dedicated board, to which we're delighted to welcome Delroy Corinaldi. Our staff showed how flexible and determined they are; adapting fast to new demands, focusing on helping the sector and doing their best when working from home or returning from furlough was not easy. Finally, thank you to all who engage with us, helping with ideas, with finance, even disagreeing with us at times. The work of charities and other non-profits matters. We are proud to play our role in helping them succeed.

Dan Corry, Chief Executive



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Delivering on public benefit

In reviewing NPC's aims and planning future activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Our vision and mission show that NPC is committed to helping charities and funders to achieve a greater impact. Our beneficiaries are therefore anyone helped by charities and funders—that is, the public at large. All our activities contribute to our strategic aims and are for the benefit of the public. This report has set out NPC's activities and achievements and illustrates how they benefit charities and funders. By helping charities and funders to achieve a greater impact, we ultimately help the people that these charities and funders serve.



Our year at a glance

NPC helps to make people's lives better by improving the impact of the social sector, both the charities and social enterprises carrying out the work and the foundations, philanthropists and social investors who fund them. In this way more people can enjoy better lives.

We've published some important resources for the sector this year, including our Walking the Talk project on diversity, equity and inclusion, and core approaches like theory of change, impact measurement and place. But of course this year will forever be remembered as the year of covid and Brexit.

On Brexit, we've been helping the sector prepare through our events with the Brexit Civil Society Alliance, and we've been supporting charities helping EU citizens secure their rights through the Transition Advice Fund.

In response to covid-19, we've been pulling on all available resources and connections, to help the sector cope and to maximise its impact. We've advised philanthropists on where best to give to; presented data for funders and charities to locate where need and capacity are; analysed the financial needs of major charities so we could keep making the case for support to government and philanthropy; and identified the gaps in where government money is going.

We have used our influencing and convening power in many ways, including coordinating a letter to philanthropists in the Financial Times, hosting important events such as our State of the Sector launch and a discussion with Danny Kruger MP, and talking behind the scenes to the Treasury and DCMS. All this must continue: the crisis is likely to drag on for some time.

We will continue with our core work around impact measurement, data, digital, theories of change, strategy and governance, amending and invigorating it to cope with the new times. And we will continue to bring our expertise to where we feel we can make a difference, such as homelessness, the prison system and the social determinants of health.

In 2019/20 we worked with 92 consulting and think tank clients, including charities, trusts and foundations, philanthropists, businesses and government departments. Our clients range from household names to much smaller organisations and private donors. We believe in working with clients over several years to help them deliver sustained impact, so we're delighted that most of our clients this year were repeat business (58%).

Prior to lockdown, we ran 23 physical events, welcoming over 1,200 delegates. When covid hit, we shifted to online events which have proved incredibly popular and enabled us to reach a wider audience. We hosted 13 online events for over 400 guests, and this continues to grow.

We've shared important thought leadership through our work on theory of change, understanding impact and our state of the sector research. We're helping philanthropists, charities and policy makers navigate the covid-crisis through our free online resources. Our website remains a popular source of free resources and think pieces with 402k unique views, up from 340k. Our twitter followers grew from 22k to 24k.

What people say about us

8.7/10 - 'quality of outputs'

8.8/10 - 'project management'

8.9/10 - 'relationship management'

Every NPC client is sent a survey at the end of the project. Our response rate is roughly 1 in 4, which we aim to improve. We also run a general NPC survey, quotes from which feature throughout this report.



Our year at a glance



1. Inspiring bold leadership in the sector and being a challenging and independent voice.
2. Helping the sector move from 'in principle' to 'in practice'.
3. Developing new ideas to help the social sector overcome the everchanging challenges they and their beneficiaries face.

Throughout this section we have split reporting between our work pre-covid and our response to the crisis.

Case study:



We worked with [the Robertson Trust](#), the largest independent grant-making trust in Scotland, to support its strategy development. Against a backdrop of growing demand for its funding, the Robertson Trust was keen to develop an overarching strategy with a clear shared sense of purpose and coherent narrative for its work.

We worked closely with the chair, chief executive, senior management team and selected trustees to agree the scope and parameters for the strategy renewal. We designed the process around [NPC's strategy triangle](#), which provides charities and funders with a framework for thinking about strategy development. We focused our work on two corners of the strategy triangle—exploring the Robertson Trust's core purpose and external environment—while the Robertson Trust carried out a review of its internal resources and capabilities. We worked iteratively with staff and trustees to explore the Robertson Trust's core purpose. We facilitated internal workshops on vision, mission and values, and staff and trustees took greater ownership of the process as the strategy development progressed, with NPC steadily moving to a [critical friend role](#).

To understand the external environment, we engaged with over 600 people through a grant holder survey and held five focus groups with charities across Scotland. We also interviewed funders across the UK to understand how funder practices are changing, their

perceptions of the Robertson Trust, and how they would like to work with the Robertson Trust. We brought together our research to help the Robertson Trust understand where it sits in the Scottish funder landscape, the opportunities and challenges faced by its grant holders, and what it means to be a funder in the 21st century. We then worked with the trustees, senior management team and wider staff to bring together insights from across the process and to clarify the strategic choices that needed making. We facilitated a series of workshops to assess strategic options, prioritise activities, consider implications, and refine details. The trustees signed off on the new strategic direction at the end of 2019 and we continued to provide critical friend support as the strategy was finalised, before its launch in September 2020.

[The Robertson Trust's 2020-30 strategy](#) commits to investing £250m over the next ten years to improve the well-being of people affected by poverty or trauma in Scotland. This new strategy sees the Robertson Trust become more focused and more joined-up across their work to meet Scotland's changing needs. Through our strategy development process, the Robertson Trust deepened its understanding of its role and how it can use all of its assets—including its funding, networks, resources, learning and voice—in pursuit of its mission.

We would not be where we are today without NPC support on our strategy process. NPC stretched us, challenged us, kept us on track and made us realise what we are capable of.

Shonaig Macpherson, Chair, The Robertson Trust

1. Inspiring bold leadership in the sector and being a challenging and independent voice

We launched our new strategy at our popular summer gathering, attended by leading figures from charities and funders. Our strategy set out the key approaches that we hope to embed within the sector, including place and digital among others.

On place, we published our [Framework for Place](#), based on common characteristics we've identified from our consulting and think tank work. The launch was covered by [Third Sector](#) and we went on to co-host events on Place at the Conservative and Labour party conferences. We continue to convene our Place Network to encourage place-based approaches to lockdown recovery.

On digital, we worked with Nominet and ParentZone to [investigate the online safety landscape](#) so charities and funders can drive best practice and influence government policy. We advocated for an evidence based, co-designed, systems change approach to build broad principles of resilience, and urged against playing cat and mouse with individual platforms. These principles are now used by Nominet (a leading tech for good funder) as part of their strategy.

We continue to work with a range of **impact investing** clients. We have shared our impact framework at numerous external events, and we are delighted to have been appointed as evaluation partner to the MacArthur Foundation, one of the biggest in the world.

Our [Walking the Talk](#) series of podcasts and essays on diversity, equity and inclusion contributed insights on user involvement to the conversation in the charity sector. The launch was followed by a seminar on trustee diversity and a panel debate at NPC Ignites, and has developed into a new programme of work which aims to incorporate diversity, equity and inclusion into everything we do.

We also started [NPC Labs](#), an open innovation space for collaborative working. Our first project with NPC Labs is My Best Life 2, a joint effort with the Mix, UK Youth, and Leap to develop a digital tool to help young people overcome barriers to accessing services. Labs is a new way of working for us. It's a place to share unfinished ideas and gain feedback as we go.

Pre-covid

What we set out to do

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

1. Inspiring bold leadership in the sector and being a challenging and independent voice

As the covid crisis hit, we were among the first to publish free guidance and analysis for philanthropists and charities on [how to respond to coronavirus](#). This included [free guidance for trustees](#) on what they should be thinking for the medium-long-term, republished in [Civil Society's Governance and Leadership magazine](#). Our [philanthropy guide](#) quickly became one of our most popular resources, leading to numerous enquires from philanthropists seeking bespoke support. We coordinated a letter calling on philanthropists to step up to the new challenges posed by covid, which was published in the [Financial Times](#).

We built an [interactive data dashboard](#) to help charities and funders to assess need, risk, and availability of charitable help for covid-19, building on the success of our ['Where are England's Charities?' research](#) (which made national news in the [Guardian](#) and on [Talk Radio](#)). We also helped smaller charities across the UK through the [Inspiring Impact](#) programme, with tailored [resources and events](#) and specific guidance on how to [review your existing data](#) in light of the pandemic.

In lockdown, digital skills are more important than ever. We've been working with Media Trust to understand what's holding back digital innovation in the charity sector. We also reviewed the effectiveness of [Media Trust's Digital Skills Training Programme](#). Our analysis found positive feedback all round, both in terms of participant experiences and outcomes. This is encouraging given that the programme was delivered to a broad and diverse range of participants, in terms of their roles, organisations, capabilities and more.

"NPC's covid-19 data tracker is one of the best resources I've seen globally that aims to track areas of greatest need in our communities due to coronavirus. A clear, aggregated, data-driven view of the people and places that need extra support is particularly needed right now as charities and donors struggle with prioritization of resources and efforts."

Parastou Youssefi, Senior Program Officer, Bill & Melinda Gates Foundation

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Case study: Responding with data



We worked with the community foundation Sortified to generate a bespoke data set for their evidence-based covid strategy. We combined open-source data from official sources, available at different geographical and administrative levels. We also developed an assessment framework to identify where support would be needed. This focused on 'before covid-19', 'during the crisis' and 'looking forward'.

Sortified analysed the data set we produced alongside community engagement information, feedback from local community organisations and infrastructure groups, and local intelligence. This enabled them to generate a comprehensive, evidence-based and community-led strategy to support Lincolnshire Community Foundation (and other funders) to target their grants where they were most needed and would have the greatest impact. The report was well received for its clarity and emphasis on the communities which needed the most support. We also made sure Sortified had the tools and skills to update the data set over time; so it can continue to be a useful decision-making tool.

We hope our work with Sortified will be a model for other community foundations to follow.

"Collaborative approach was excellent, and the relationships developed and supported really helped build and deliver the project. Excellent project management and communication, and all delivered on time. The domain expertise was second to none." Sortified

Sortified

2. Helping the sector move from 'in principle' to 'in practice'

We continue to run a range of free and paid-for [training events and topical debates](#) including our popular Leading Impact series on topics central to our strategy. We welcomed almost 200 guests and over 30 speakers to our 2019 NPC Ignites conference to debate the biggest issues facing the sector. In light of covid we moved events online, making it far easier to reach people outside of London.

We published an [update to our data labs initiative](#), giving a sit rep of where we are on justice, employment, education and health. We've learnt from the justice data lab what works and what's difficult. An employment data lab is moving to the pilot phase and we are gaining support for an education data lab. We are also developing the idea for a health data lab. We have inspired similar initiatives around the world, from Israel to Canada and the USA.

We proposed a sector-led [Civil Society Improvement Agency](#) to support peer review among charities. Peer review is when groups of leaders (executives and trustees) from different charities or from outside the sector give up their time to visit, interrogate and deliver feedback. Our paper benefited from a host of discussions and insights from people in the charity sector and in local government, and the idea was taken up by Danny Kruger in his review of the role of civil society in Britain's covid recovery.

Through our work on the [Transition Advice Fund](#) we helped build the capacity of the charity sector to support EU citizens who need help to secure their rights in the UK. We also helped the sector [prepare for Brexit](#) more broadly, such as through joint events with the Brexit Civil Society Alliance.

"I attended the NPC arts event on Friday. Really great speakers, and the research will be very useful to support our own arts work this year. Congrats to the team that put the event on."

John Bleasdale, Into University

What we set out to do

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

2. Helping the sector move from 'in principle' to 'in practice'

Our flagship [State of the Sector](#) research revealed the reality of the charity sector's situation in the moments before the covid crisis hit, thereby suggesting where vulnerabilities may lie. It was one of our most successful launches yet. We launched via zoom to over 150 charity CEOs, academics, national and sector journalists and a government minister. On Twitter we made 53k impressions, our highest daily total of the year, and over four times our daily average. We secured wall to wall coverage across the sector press with thirteen stories across seven publications. Our research was directly cited by Danny Kruger in his recommendations to the Prime Minister on the role of civil society in Britain's covid recovery.

Following the government's emergency funding announcement, we looked behind the headlines to see [where the government's £750m charity rescue package actually went](#). We are encouraging philanthropists and foundations to use this analysis to better target their own giving, and for funders receiving government money to be transparent in how it is allocated. This work was later covered by Sky News.

The public outpouring of support for the NHS brought about by coronavirus has shone a spotlight on the role of NHS charities. Earlier in the year, we worked with ten NHS charities to develop a [shared measurement project](#). Our report highlighted the potential of shared measurement in the NHS charity sector and to other groups of funders and charities.

"We were able to turn immediately to NPC for real-time evidence-based insights and deep sectorial understanding; NPC has been our go-to place for up-to-date knowledge enabling funders to thoughtfully and rapidly react to the changing needs of charities and their beneficiaries."

Marie-Louise Gourlay, Head of Europe, The Philanthropy Workshop

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Case study: Shaping new initiatives



ClientEarth is an environmental law charity using the power of the law to protect the environment, by holding governments and companies to account over climate change, nature loss and pollution. We were asked to undertake a mid-term evaluation of ClientEarth's Forest Governance Markets and Climate programme.

Through reviewing reporting materials, interviewing stakeholders and facilitating a project team focus group, we helped ClientEarth identify where they were likely to achieve impact. We evaluated what had worked and what can be learnt, and how to maximise further opportunities for achieving change.

Our evaluation showed how ClientEarth had made significant inroads and was an opportunity for ClientEarth to reflect on how it can achieve long-term change in complex contexts with different stakeholders' groups. Through our evaluation, ClientEarth learned the importance of monitoring the small changes that occur in stakeholders' mindsets and behaviours, as a way to understand and measure where its contribution is adding value, all of which will help ClientEarth improve its work in the final phase of the programme.

"We had such a positive experience working with you and will highly recommend NPC to anyone else doing a similar project."

Heather Kingsley, Senior Programme Officer, Climate & Forests, ClientEarth

The ClientEarth logo is prominently displayed in the center of a wide banner. The logo consists of the word 'ClientEarth' in a large, bold, sans-serif font. To the right of the text is a circular emblem containing a stylized globe with latitude and longitude lines. The background of the banner is a detailed, textured illustration of a natural landscape, featuring mountains, a river, and a forest. The overall style is that of a woodcut or a detailed line drawing.

3. Developing new ideas to help the social sector overcome the everchanging challenges they and their beneficiaries face

We published our new [Theory of Change in Ten Steps](#), based on everything we've learnt from helping charities develop their strategies and plans. This was followed by [Understanding Impact](#), an update to our evaluation and measurement guidance. Our simple to follow theory of change guide was viewed over 13,000 times, making it our most popular resource of the year.

We evaluated co-designed projects funded by the [Building Connections Fund](#) to tackle loneliness among young people, from which we produced a [practical guide to implementing and evaluating co-design](#). This is a major DCMS project and our final evaluation will be released in 2021. We have switched to a [developmental evaluation approach](#) in light of covid-19.

We tested the feasibility of [accelerated legacies](#) (an innovative plan to allow people to give money in their will, but for the charity to receive it today). Charities benefiting from legacies during a donor's lifetime is attractive, but our research uncovered financial, cultural and regulatory concerns that we think need further investigation. We are now planning a pilot programme.

In our [election manifesto](#) we called for openness about how charities are performing, where funding goes, and with the government-held data that charities could use to have more impact. This formed the basis of [subsequent work with Danny Kruger MP](#) to inform his review of the role of civil society in Britain's coronavirus recovery, and many of our ideas were taken up. We also shared our ideas with the Minister for Civil Society, Diana Barran, who is a regular speaker at our events.

"The distilled wisdom within NPC's Theory of Change in Ten Steps and Understanding Impact publications provided a clear structure for our thinking that helped us stay focused on the big picture. The stages set out helped us structure the project. Community Impact Bucks now has a new level of clarity about the impact it is aiming to achieve, how to get there and how to track progress."

Nicola Hannam, volunteer Transforming Impact Programme Lead, Community Impact Bucks

Pre-covid

What we set out to do

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

3. Developing new ideas to help the social sector overcome the everchanging challenges they and their beneficiaries face

In an effort to understand the dramatic changes brought by coronavirus, we published a long-read article on [why systems thinking is no longer optional](#). The article quickly became one of our most popular blogs, helping to move forward the conversation on bringing systems change out of the clouds and into the mainstream. Our article was [republished in the US by Grant Station](#) and formed the basis of later work to develop our [Rethink, Rebuild](#) initiative.

As the crisis was unfolding, we launched two papers produced before covid, but which we felt were now even more relevant:

- Our power dynamics paper, a [Rebalancing Act](#), challenged funders to identify, recognise and address the power imbalance that can exist between them and the charities they fund. The paper followed a popular seminar series and has touched a nerve in the sector, with a launch video and multiple events involving lead authors Katie Boswell and Fatima Asif. Our work influenced ACF's Stronger Foundations Funding Practices paper to pick up on the theme of power dynamics.
- In our [Collaborating for a cause](#) guide we shared how philanthropists can work together around the issues they care about. We recommended that networks take a system-wide view, informed by lived experiences and diverse perspectives. Funded by Beacon Collaborative, this paper is being used to guide their work with philanthropists responding to coronavirus.

NPC really impressed me with how quickly you were able to provide information, thinking and support in response to coronavirus. Your role in convening people and providing information was a real anchor at a time of uncertainty.

NPC Survey

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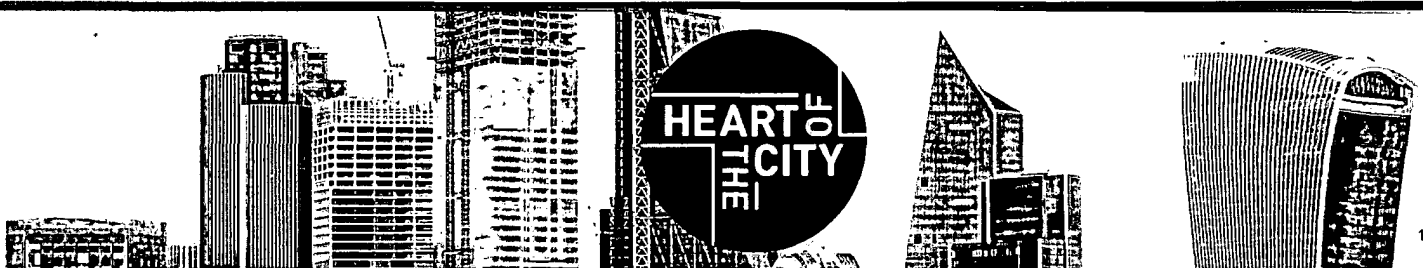
Case study: Supporting big decisions



Heart of the City supports responsible business through workshops, masterclasses and expert mentoring. Its foundation helps organisations design and implement strategic plans to support their local community, reduce their environmental impact, build more diverse workforces and look after their employees' wellbeing. We were asked to review their strategy, impact practice, finances, and funding environment, to help them improve and inform critical decisions.

Using an adapted version of our *What makes a good charity?* framework, we reviewed internal capabilities and external stakeholders' perceptions, and analysed future strategic options. We assessed the charity's strengths and weaknesses, and made recommendations for improvements. We drew out high-level strategic options for the trustees and the Director to consider, fine-tuned them in collaboration, and delivered a virtual workshop to assess them. Heart of the City used the process to engage staff, trustees and external stakeholders in their work, shape a critical funding bid, and drive consensus amongst decision-makers. They intend to use our findings to update their business plan and improve their impact practice.

"Working with NPC was a great experience. We asked them to take on a review with quite a large scope and they really delivered. In just a few months (and during the covid-19 lockdown) they produced a well-informed review which really reflected back to us some new insights into our work. I found the team very well organised and highly professional to work with." Sarah Mitchell, Director, Heart of the City



We set out to have a clear and compelling narrative that communicates what's important to us and builds on our integrated and flexible operating model, to attract and retain a diverse pool of talent that reflects a whole-of-NPC approach to achieving our impact and goals. We also wanted to continue to drive our financial strength to ensure NPC remains well-placed to work on new approaches, mindsets and ideas.

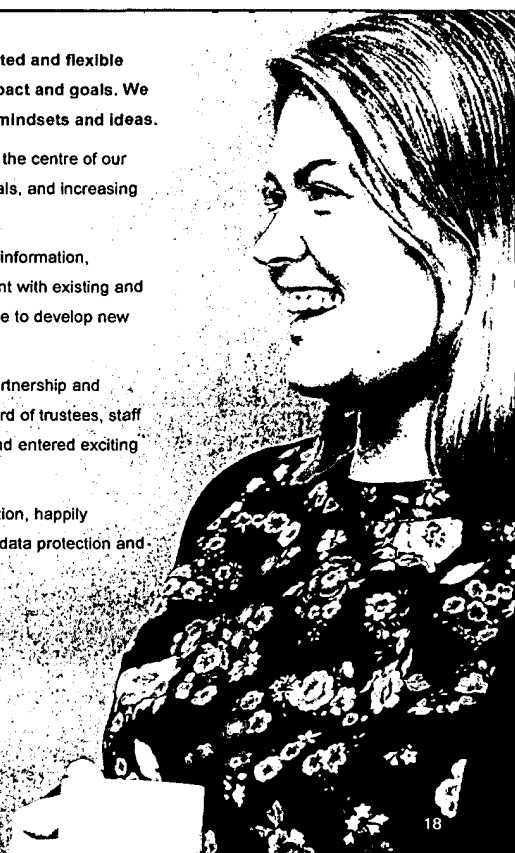
We launched our new strategy setting out key approaches we hope to embed within the sector. We have sought to put people at the centre of our communications and to make our outputs more accessible. For example, producing materials in bitesize chunks, increasing visuals, and increasing digital communications such as podcasts and online events.

We secured good coverage of our coronavirus guidance in the sector press which positioned us as a go-to source of advice and information, especially among philanthropists. We hosted a series of online fundraising events led by trustees, which widened our engagement with existing and prospective supporters and led to £130k additional unrestricted donations so far with more expected. This will allow us to continue to develop new and innovative responses to the challenges charities face.

At board and staff level we conducted a knowledge and skills audit to help us identify our strengths and focus our recruitment, partnership and professional development efforts on developing areas core to delivering our strategy. From this we've set up a Development Board of trustees, staff and co-opted members; recruited new colleagues with expertise in policy, fundraising, systems changes and Impact Investing; and entered exciting new partnerships especially on digital and data.

Our staff responded brilliantly to the challenge of lockdown. We successfully moved all our operations online with minimal disruption, happily coinciding with a year-long initiative to upgrade our IT hardware to allow staff to work flexibly, as well as delivering on a range of data protection and cyber-security initiatives to provide assurance over the security of our working practices regardless of location.

Our internal goals





Our future plans

Alongside our core work on impact, we want to help shape the future of the sector over the coming years so what emerges from the covid crisis is capable of delivering more social good than ever before.


So we will be shaping our efforts around this. Now is the time to be ambitious and to play the leadership role that we are uniquely placed to embrace.

Some of this is about how individual charities and funders play their role. But a lot goes further – right to the core of how the sector works together via collective approaches and infrastructure.

Our future plans will be based on our existing strategy – all about maximising impact for people – but we are marshalling all available resources and experience to help build a better future for the sector, doing what we do best, with impetus, intent and purpose.

"A lot of charities are thinking about how to 'build back better' - it feels like NPC could have a lot to say on this."

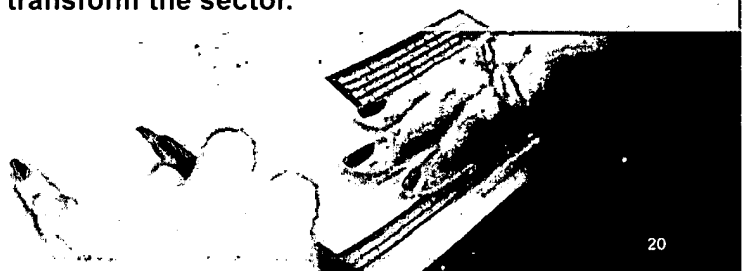
NPC Survey

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1. Use our data, voice and convening power to put the sector and social inequalities higher in the minds of policy makers and the sector, with deep dives into specific areas of concern.
 2. Highlight what has worked well during covid that the sector should keep and improve.
 3. Support charities to rethink their strategies and governance for the post covid era.
 4. Urge and embed more impactful behaviour and practices by grant makers and other funders.

As a charity, we rely on the generosity of our supporters.

Find out more about how you can support our work to transform the sector.

Our future plans



1. Use our data, voice and convening power to put the sector and social inequalities higher in the minds of policy makers and the sector, with deep dives into specific areas of concern.

Given what covid has exposed, now is the time to emphasise this aspect of our work and how the sector can contribute more to tackling social injustice. We will need to:

- Help charities use measurement and evaluation to adapt to these difficult times, and show how data can help us focus better on need and capacity. This becomes even more crucial as charities try to work out what they should keep, what they should jettison or reduce, and what they should learn from the covid-19 experience.
- Put the sector higher up in policy makers' minds, both in Whitehall and in town halls, so we make sure the attention the sector got during the crisis is not lost as we emerge from it, and that steps are taken to strengthen it and its influence.
- Do deep dives in specific areas of concern – to potentially include employment, social care, social prescribing, probation reforms and volunteering. We will also consider what we can contribute to the climate change and biodiversity agendas.

2. Highlight what has worked well during covid that the sector should keep and improve.

Examples include:

- The use of digital, shared data and other innovations.
- Deeper collaboration than we have seen in the past.
- Major changes in our relationship with the public sector (both in advocacy and service delivery).
- Helping places improve using systems change approaches.

3. Supporting charities to rethink their strategies and governance for the post covid era.

Exactly which elements we will focus on will emerge as we go, but they will all be around building the resilience and impact of charities and the sector, including through helping charities to rethink and refresh their strategies.

4. Urging and embedding more impactful behaviour and practices by grant makers and other funders.

We want to encourage philanthropists and impact investors to fund in ways that will support resilience, collaboration, data use and sharing, and to look everywhere for impact integrity





Where our money comes from

62% for our consulting services
15% for our think tank
20% in unrestricted donations
3% from fees for communications and other income



How much we hold in reserves

Our free reserves and committed income will cover 5.5 months of planned expenditure, which is in line with our reserves policy.



How we spend our money

50% on delivering consulting services
32% on think tank activities
6% on raising funds
12% on communications



Our financial activities

The statement of financial activities for the year to 30 June 2020 is set out on page 44 of this report.

Financial review

*“Considered, relevant, informed, assertive,
innovative, inclusive, fair, genuine, authoritative”*

NPC Survey

Financial activities: Income

Total income for the year was £3,066,665, a decrease of 5% (2019: £3,224,921).

Consulting and think tank - £2,346,578

- A decrease of 8% compared to last year (2019: £2,545,451).
- Whilst it is impossible to state categorically, we estimate that we lost approximately £200,000 income, net of partner costs, as a result of covid-19 in the last quarter of the financial year.
- Year on year comparisons are affected by the amount of grant income (grant income received for the purpose of making grants to other organisations. This therefore affects both our reported income and costs. 2020 income for making grants was £373,532, (2019: £407,225).

Donations and fundraising - £609,316

- An increase of 21% compared to last year (2019: £504,384) mainly due to higher donations and trustee funding to support of our covid-19 response.

- Over time, we aim to increase and diversify our fundraising income. Unrestricted grants remained unchanged at £180,000, with £150,000 from new donors.
- We were delighted to receive further unrestricted donations from Oak Foundation (£600,000 over 4 years) and Gatsby Foundation (£100,000 in 2020/21) after the financial year end.

Communications - £49,367

- A decrease of 54% compared to last year (2019: £75,792).
- This is mainly due to the impact of covid-19 on the last quarter of the year with all training deferred and events moved online with a reduced attendance fee.

Other income

- This year's non-recurring income is funding received through the Job Retention Scheme.
- Last year's non-recurring income was a lease premium received when we moved to a new office.

Financial activities: Expenditure

Total expenditure for the year was £3,225,273, a decrease of 3% (2019: £3,332,595). The main reason is non-recurring costs incurred last year when we moved into our new office.

Staff - £1,990,029

- An increase of 5% compared to last year (2019: £1,899,159) mainly due to cost of living and other pay awards plus a higher provision for unused annual leave this year.
- On average during the year we employed 44 staff, many of whom work part-time giving us FTE of 39. This is 1 FTE higher than last year.

Partners & associates - £315,408

- An increase of 1% compared to last year (2019: £311,018).
- This represents payments other individuals and organisations that we collaborate with to deliver our consulting and think tank work.

Other staff & recruitment costs - £30,682

- A decrease of 66% compared to last year (2019: £90,699) due to lower recruitment agency fees including the non-recurring cost of recruiting a new Director of Consulting last year.

"NPC moved fast to collect data and inform the sector. They wrote short, useful and relevant pieces and were a catalyst in getting others talking to each other."

NPC Survey

Financial activities: Fundraising and investments



NPC's main sources of funding were fees for consulting work, restricted grants for think tank projects from foundations and individuals, unrestricted grants from foundations to fund our charitable impact and core costs, fees for events and training, and donations from our trustees and other individuals, including our Supporters' Circle.

Our approach to fundraising

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

All fundraising is conducted by contracted team members. NPC does not employ the services of any fundraising agencies or third parties to fundraise directly, and does not run telephone or door to door fundraising campaigns.

We have ensured compliance with data protection regulations and, as part of our

ongoing commitment to best practice, we strive to adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. Further information about how we gather and use information as part of our fundraising activities is available on our website, together with a clearly documented complaints process. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received regarding our fundraising activities.

Investment policy

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

"When the crisis just hit we were all looking for information and your analysis and views on your state of the sector 2020 was very helpful." NPC Survey

Financial activities: Reserves and unrestricted funds



At 30 June 2020 NPC had total reserves of £531,751 (2019: £690,359). Of these reserves £259,404 are legally restricted and £272,347 are unrestricted. £14,624 of unrestricted reserves are designated fixed assets.

The trustees believe that its committed income should be considered alongside its unrestricted reserves when considering the adequacy of its reserves. The trustees' aim is that the total of NPC's unrestricted reserves and committed income should cover between 3 and 6 months of its planned expenditure in the year ahead.

At 30 June 2020, NPC had unrestricted reserves of £272,347 (2019: £389,588) and £1,016,000 (2019: £933,193) of committed fees and unrestricted grant income. We expect average monthly expenditure in the year to 30 June 2021 to be £236,000. The total of £1,288,347 of unrestricted reserves and committed donations and fees will therefore cover approximately 5.5 months of budgeted expenditure, which is in line with our reserves policy.

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

"[NPC were] so helpful to pull together the data and evidence and make it available, challenge the sector to respond in the best way, working together and tackling inequality throughout the sector and the communities in which we work."

NPC Survey

Financial activities: Our approach to pay

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

The board is responsible for setting the CEO salary.

- The CEO sets the salaries of the senior management team.
- The senior management team, in conjunction with NPC's HR consultant, sets all other salaries.
- Pay is reviewed regularly and at least annually.

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

- **Recruitment and retention:** for NPC to achieve its mission and financial sustainability, we require high calibre staff with a range of skills and disciplines. Remuneration packages take account of the market rates for comparable jobs in relevant markets.
- **Affordability:** the impact on NPC's financial health and overall business plan is always taken into account.

- **Performance:** performance targets and objectives are assessed through the annual appraisal process and taken into account in remuneration where it is relevant.
- **Proportionality:** the ratio of lowest to highest salary is monitored. As far as it makes business sense, we strive for parity across the organisation so that employees at comparable levels in different teams receive similar pay.
- **Transparency:** NPC follows SORP guidelines and lists in the annual report the number of staff earning £60,000 and above (in bands of £10,000)—see note 8. This information and our approach to pay is also publicly available on our website.
- **Living Wage:** NPC is an accredited London Living Wage employer and does not hire unpaid interns.
- Staff at all levels have access to the same benefits, including pensions.

Trading subsidiary

The charity has a wholly-owned trading subsidiary, NPC Trading Limited. The company did not trade during the years ended 30 June 2020 or 30 June 2019.

“Thought leaders in modern charity”

NPC Survey



Our structure, governance and management

Trustees

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

Trustees

Members of the board of trustees are the directors of the company. NPC's trustees seek to adhere to the principles set out in the [Charity Governance Code](#). The trustees are responsible for establishing clear strategic goals for NPC. These goals, together with performance targets, are established annually, and the chief executive reports on them at trustee meetings. *According to their skills, experience and interests, trustees take responsibility for one or more areas of activity, which may include being appointed to a committee.*

Trustee recruitment, induction and training

NPC has an experienced and committed board contributing a range of perspectives and expertise, which we want to build on by increasing the diversity of trustees. Our

trustees believe that bringing in people with different perspectives, different outlooks and different experiences will result in new ideas, robust debate, better decisions and ultimately better impact.

The Board regularly completes a skills assessment and use this as a basis for deciding whether to recruit new additional trustees to complement the existing skills and experience. The most recent assessment was completed in June 2020. As a result, the Board is especially interested in applicants with lived experience of equality & inclusion, philanthropy and/or entrepreneurship. Applications are screened, and short-listed applicants invited to meet with representatives from the board and management team. On appointment each trustee completes a register of interests, which is renewed annually.

New trustees receive a job description and participate in an induction programme, which includes meeting the chair, chief executive, members of the management team and staff. When new trustees are recruited, their training needs are assessed and met as necessary.

The Board is supported in its think tank and fundraising activities by a Policy Advisory Board and Development Board, co-opted members who add valuable specialist expertise and insight.

Management and staff



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

The chief executive is supported by a senior management team which consists of the chief operating officer, director of research & consulting, director of innovation & development, head of communications, head of policy and HR consultant.

During the year ended 30 June 2020, NPC employed an average of 44 employees, of whom many worked part-time, giving 39 full-time equivalent employees. More detail is provided in note 8 to the financial statements.

This year we postponed our annual staff engagement survey due to covid-19. Instead in May we conducted an informal pulse check, asking our staff "how well are the senior management team communicating with you during lockdown". 94% of respondents said our senior managers were getting it about right.

Conduct at work

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

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

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

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

Our approach to safeguarding

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

NPC recognises that:

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

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

- **Risk assessment and code of conduct.** Safeguarding risks are assessed at the start of each project. When appropriate, team members involved in the project are given a safeguarding briefing and asked to sign a safeguarding code of conduct. DBS checks are obtained for all staff involved in high risk projects.

- **Communications.** All communications with or regarding an at risk person, including those online such as via social media services, are conducted in a safe manner by:
 - taking care to ensure the privacy of the beneficiary.
 - never taking photos of an at risk person while they are in changing or bathing areas, and never publishing other photos without their consent.
 - managing and preventing risks associated with social media use such as cyberbullying, grooming, identity theft, and exposure to inappropriate content.
- **Monitoring.** Safeguarding risk is reviewed and monitored throughout each project.
- **Reporting and responding to concerns.** Safeguarding concerns are reported to NPC's safeguarding lead (the chief operating officer) when abuse is observed or suspected, an allegation of abuse is made or a child or at risk adult discloses abuse. The safeguarding lead will go on to take appropriate action.

Our approach to diversity, equity and inclusion



At NPC we've been conscious of the lack of diversity in our work for a long time. Our own diversity (especially ethnic diversity) still lags slightly behind the wider charity sector and further still behind Britain as a whole.

In recent months we've spent a lot of time listening and learning – to our staff, to our trustees, to our peers, to our networks, and to experts on diversity, equity and inclusion – to try to better understand what role NPC can play in supporting the sector and how we can step-up our internal activity to create a working environment where everyone knows they are valued and feels able to achieve their full potential. And that listening and learning cannot stop.

At NPC, our goal is to transform the social sector through our research, guidance and debates to increase the positive impact for the people and communities who need it. What would it mean to apply a diversity, equity and inclusion lens such as racial justice to this mission? And we're up for challenging and inspiring ourselves and the sector, doing what we do best: bringing our research, insights and expertise to the key issues the sector faces, highlighting best practice, being agile and thoughtful, and bringing people together to find solutions.

We recognise that there is no easy answer, and we certainly won't pretend to be able

to offer one. But we are making a long-term commitment to a continuous process centred around four themes that encompass all aspects of our work:

Embedding diversity, equity and inclusion into our consulting work: We want to broaden the conversation beyond charity HR. What would it mean to incorporate diversity, equity and inclusion into a theory of change, grant making advice, effective philanthropy, charity analysis, or impact evaluation? We want to work with charities, philanthropists and funders to consider the diversity, equity & inclusion lens of what they are trying to achieve—either at the proposal stage or during the work— and to reflect this in our project planning, execution, and recommendations.

Using our Influence in the charity sector: Since our founding we have earned the respect of funders and philanthropists who value our advice, commitment to evidence, and willingness to challenge. We hope to make the most of these networks to amplify this debate, by challenging where power lies, offering practical insights and facilitating conversations about best practice among those with power and resources.

Our approach to diversity, equity and inclusion



Embracing a listening and learning culture: We're going to continue educating ourselves, starting with our senior leadership team and trustees, and listening to colleagues from under-represented communities and their allies across NPC and the wider sector who are willing to share their lived experience to inform how we work.

Transparency: We intend to publish our employee diversity statistics each year, including pay gaps, and improve the visibility of our working practices so that staff, clients, donors, and others can hold us accountable.

Each of these themes builds upon the improvement initiatives championed by our internal diversity, equity and inclusion group over the last two years. Each is underpinned by a plan which will be reported against at each trustee meeting and adjusted as we learn and grow.

We want to do what we can ourselves and to support others who are better placed than we are to be leaders of anti-racism efforts in the charity sector. Success for us will be when applying a diversity, equity and inclusion lens is just what we do, in every aspect of our work, every day.

***Note on language.** We recognise that any one term will not resonate with everyone. In this document, we follow the Race Disparity Audit's recommendation, referring to 'ethnic minorities'. BME and BAME are terms widely used by government departments, public bodies, the media and other groups when referring to ethnic minority groups in the UK. People of Colour (PoC) is a term prevalent in the USA and gaining popularity in the UK.*

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

Brp (Equality Charity)

Summary of our diversity, equity and inclusion progress



We are partway through a process to better understand and improve our diversity, equity & inclusion so that these principles permeate into everything that we do. Over the last two years our internal diversity, equity & inclusion group has led several initiatives, focused on eight areas:

- Employer brand
- Recruitment channels
- Application & selection
- Onboarding & induction
- Professional development
- Well-being
- Communication
- Resources, training & events

Employer brand

We refreshed the NPC employer brand with new [Work at NPC](#) pages on our website. The new pages present our offer in a warm, engaging, accessible way. They highlight the four factors that internal & external data tells us are the most attractive to potential

candidates - our purpose, working environment, commitment to development, and benefits. We have renewed our accreditation as a [London Living Wage Employer](#) and become a DWP accredited [Disability Confident](#) employer.

At trustee level, diversity, equity & inclusion is now a standing agenda item for all board meetings with trustee recruitment decisions made based on a skills & knowledge matrix which the board reviews at least annually.

Recruitment channels

We explored alternative recruitment channels to reach the widest possible pool of talent in a time & cost-effective way, but the findings were inconclusive. So, we have participated in two talent programmes:

- [Change 100](#), a paid work experience scheme for undergraduates and graduates with a disability.
- [2027](#), a 12-month talent programme to bring frontline workers from working class communities into grant-making. We are delighted that our 2027 placement has accepted a permanent role.

We will remain involved in both programmes with three staff involved in online mentoring, adapting our involvement due to covid-19.

Summary of our diversity, equity and inclusion progress



Application & selection

We have removed a 2:1 degree as an essential requirement and made all roles available on full time, part time, job share or secondment basis.

We assessed the cost-benefits of an applicant tracking system to reduce unconscious bias but decided not to proceed for now. Instead, to mitigate the risk of unconscious bias,

- all applications are scored independently by two people using objective scoring criteria;
- we guarantee and interview for all applicants with a disability who meet the minimum criteria;
- at least two people sit on the interview panel for all roles; and
- we use pre-agreed interview questions.

We have updated the way we coordinate interviews with briefings, checklists and debrief meetings for all involved. And we have refreshed the written exercises and case study materials used in interviews.

Onboarding & induction

We updated our onboarding literature & induction process to ensure our material is warm, engaging and accessible to give everyone the best possible experience in their first 6 weeks with NPC. We have received very positive feedback. To ensure this is maintained we have added 3-month and 6-month check-ins for all new starters. Also, we have introduced a mini-induction process for staff returning to work after a break, for example maternity leave or furlough. And this summer we are introducing a re-induction process to support staff returning to the office after several months working at home due to covid-19.

Professional development

We completed a staff skills & knowledge matrix to ensure that we are making best possible use of the professional & lived experience of our current staff group. This information helps direct recruitment, staff development, resourcing, and partnership efforts. We are partway through a review of our learning & development offer to staff and our competency framework which underpins our performance management processes.

Summary of our diversity, equity and inclusion progress



Well-being

We have reviewed and amended our well-being practice to foster an environment that encourages staff to manage their own well-being and feel able to ask for help when needed. We offer all staff access to a 'buddy', an independent HR consultant and online help and support. Using best practice guidance from Mind, we have introduced wellness plans to help managers identify and capture any additional mental health support needed by staff. Well-being activities are regularly promoted through #wellbeingwednesdays, which we have supplemented with guidance specific to lockdown and longer-term working from home arrangements.

NPC operates a range of flexible working practices. 23% of staff work part-time including some members of our management team, and all staff have the right to work from home at any time. During covid-19, we have extended our flexible working practices further and provided equipment & financial support to ensure staff have a safe and conducive home-working environment.

Communications

We have committed to continuous improvement to NPC's website, focusing on accessibility especially for those with visual or hearing impairments. Achievements to

date include enhancing the accessibility of online images, newsletter and other communications and updates to NPC templates used for producing external materials.

Resources

We do not operate a paywall. Our resources for the sector are available free of charge on our website. These include:

- [Walking the Talk](#), a series of podcasts and blogs that amplify voices within the sector, sharing practical advice and honest perspectives to empower the social sector, including ourselves, to step up and do better. This work builds on a previous research paper [Walking the talk on diversity: what is holding the charity sector back from putting words into action?](#)
- [Diversity in governance: the what, why and how](#), a briefing paper that examines what it means to have true diversity on a board of trustees; what a diverse board can do for an organisation; and explores ideas on how to increase and maintain diversity on boards. We followed up this paper with a blog reporting on the thoughts of four charity leaders on [how to improve diversity and inclusion on trustee boards](#).

Summary of our diversity, equity and inclusion progress



Events

In the last two years we offered 25 free events for 2,000+ delegates, scheduled at different times of the day to widen reach and availability to a wider group. Our online events were recorded to enable access at any time. In 2020 we introduced a small charity bursary scheme for our Leading Impact seminars. To date 45 participants have taken advantage of this scheme. We aim, as far as possible, to achieve diverse panels (including no 'manels') for all events. In the context of covid-19 we have moved all events online, but when hosting physical events, we consider the accessibility of each venue.

Diversity, equity & inclusion has also featured as a specific discussion point in three events in 2019/20:

- NPC Ignites 2019, our flagship annual conference, included a breakout session on, *Walking the Talk: Putting equality, diversity and inclusion into practice*, with perspectives shared by Asif Afridi of brap, Fatima Iftikar of #charitysofwhite and Sophie Livingstone of Trustees Unlimited before a wider group discussion.
- We dedicated one of our trustee discussion sessions, part of a programme sponsored by Clothworkers, to *Where do trustees fit with the debate on diversity and inclusion?*. Attendees heard from Sophie Livingstone, Managing Director of Trustees Unlimited, Arvinda Gohil, Interim Chief Executive of Arhag Association Limited and Chair of the Peel Institute, Roger Harding, Chief Executive of Reclaim

and Trustee of Victim Support and Jo Wells, Director of The Blagrove Trust and Trustee of Essex Community Foundation, who shared insights and lessons learned from experiences in their own organisations.

- Our State of the Sector 2020 research shone a light on diversity, equity & inclusion, highlighting that four in five charities (78%) say their current staff are not fully representative of the population they serve. When asked from which groups they think they needed to recruit more people from in order to be representative of their users, the most common answer given by charities was people of different ethnicities (41%). The launch event was attended by 100+ participants and included insights from Diana Barran, the Charities Minister, Javid Khan of Barnardo's, Natalie Creary of Black Thrive, Kim Shutter of The Cellar Trust and Duncan Shrubsole of the Lloyds Bank Foundation.

These sessions were well received by attendees and the sector press.

- *I found the panel's thoughts really helpful in terms of thinking about diversity and the issues around it. And I found speaking to others about the issues they face really interesting. There were lots of useful things I can take back as a Trustee to help with our upcoming recruitment for Trustees.* Trustee seminar feedback
- *I liked how diverse the panels were. I found the outcomes workshop very useful.* NPC Ignites feedback

Our staff and trustee diversity statistics

Finding absolute and objective measures of success on diversity, equity & inclusion can be tricky. We monitor data about our job applicants as well as data about our staff, our management team and our trustee board (although we note than an increasing number of job applicants are choosing not to disclose equal opportunities data).

We have readily available data on gender, race, disability, and age. This tells us that NPC has high female representation with a good cross section of ages and a well-established flexible-working culture, but we need to do more to improve representation of people from ethnic minorities and people who have a disability.

This data is presented separately but we recognise that everyone has intersecting identities. Also, whilst we do not have readily available data, our work seeks to encompass staff and trustees from other communities including LGBTQ+ and people from a range of socio-economic backgrounds.

* Gender pay gap calculated as at 5 April 2020 in accordance with government guidelines. In the absence of government guidance we have calculated the ethnic pay gap on the same basis.

** Voluntary sector averages taken from UK Civil Society Almanac 2018.

Gender



We have high female representation across all levels of our organisation, higher than the voluntary sector average of 63%**. Our mean gender pay gap* is 7% and the median is 0%.

Female	30 June 2020	30 June 2019	30 June 2018
Job applicants who chose to disclose	47%	35%	50%
All staff	71%	72%	74%
Management team	6 out of 9	6 out of 9	4 out of 10
Trustees	3 out of 8	4 out of 9	2 out of 7

Race



Ethnic minority representation across all levels of our organisation is lower than the national average of 14% and the voluntary sector average of 9%**. Our mean ethnic pay gap* is 28% and the median is 25%. This is an organisational total that reflects the fact that all our management team are white. It does not reflect steps towards eliminating pay gaps at each grade.

Ethnic minority	30 June 2020	30 June 2019	30 June 2018
Job applicants who chose to disclose	25%	25%	24%
All staff	8%	10%	-
Management team	0 out of 9	0 out of 9	0 out of 10
Trustees	1 out of 8	0 out of 9	0 out of 7

Disability



The number of people with disabilities in our organisation is lower than the national average of 20% of the working age population.

People with disabilities	30 June 2020	30 June 2019	30 June 2018
Job applicants who chose to disclose	9%	8%	2%
All staff	8%	7%	-
Management team	0 out of 9	0 out of 9	0 out of 10
Trustees	0 out of 8	0 out of 9	0 out of 7

Age



33% of our staff are aged under 30 which is higher than the voluntary sector average of 18%**.

Age	30 June 2020	30 June 2019	30 June 2018
Job applicants who chose to disclose aged 35+	24%	25%	16%
All staff average age	34.7	35.0	34.7
Management team average age	43.0	43.9	43.9
Trustees average age	58.4	59.6	58.4

Risks



NPC has a risk management process in place to enable the trustees and management to assess the risks facing the organisation and to devise and implement strategies and controls to mitigate or address these risks. We maintain a comprehensive risk register. The register is reviewed regularly by the chair and senior management team and annually by the trustees. The board considers the following to be high-risk areas:

Description of the risk	Mitigation strategy
Unrestricted funding targets are not met.	<ul style="list-style-type: none"> • Clear fundraising proposition. • Regular conversations with existing and prospective donors. • Utilise networks to raise NPC's profile amongst potential funders. • Tactical recruitment and partnership.
Insufficient market demand for consulting services caused by macro-economic event (such as covid-19) and/or continued political uncertainty.	<ul style="list-style-type: none"> • Re-position new and refresh existing content to related to the future of the sector to ensure NPC remains relevant during the covid-19 crisis, recovery and beyond. • Pursue a diverse business development plan that includes a range of services and client groups. • Maintain and manage relationships with clients, both existing and prospective. • Monitor monthly and quarterly targets for sales, pipeline and delivery plus client feedback on impact and value for money. • <u>Scale consulting resources to match demand. Leverage associate and partnership networks as required.</u>
Lose relevance and impact because unable to respond to emerging trends (such as covid-19 and the future of the sector).	<ul style="list-style-type: none"> • Centre efforts around support to the sector's response to covid-19 - immediate crisis, transition and 'the new normal'. • Leverage government and cross sector networks to be a voice for the sector. • Work with associate and partnership networks as required. • Identify & execute opportunities to embed emerging thinking on future of sector into mainstream work • Staff skills development.

Statement of responsibilities of the trustees



The trustees (who are also directors of New Philanthropy Capital for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources (including the income and expenditure) of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

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

Approved by the trustees on 9 December 2020 and signed on their behalf by:

Vaughan Lindsay, Chair

Independent auditors report to the members of NPC



Opinion

We have audited the financial statements of New Philanthropy Capital for the year ended 30 June 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further

described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 40, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors report to the members of NPC



Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material

uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, the Chair's statement and Chief Executive's statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditors report to the members of NPC



Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of our report

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

Steven Harper (Senior Statutory Auditor)

9 December 2020

For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place, London, EC4R 1AG



"A conscience in the sector as well as brains"

NPC Survey

*"NPC's positive influence on encouraging impact
evaluation stands out as a key achievement."*

NPC Survey

*"Thorough and thoughtful - particularly during a
difficult period, for conducting research"*

NPC Survey

Financial statements

New Philanthropy Capital: Statement of financial activities

(Incorporating an Income and Expenditure Account) - For the year ended 30 June 2020

	Notes	Unrestricted Funds (£)	Restricted Funds (£)	2020 Total (£)	2019 Total (£)
Income from					
Donations and legacies	2	609,316	-	609,316	504,384
Charitable activities					
<i>Consulting</i>	3	1,636,671	260,996	1,897,667	2,146,830
<i>Think tank</i>	3	-	448,911	448,911	398,621
<i>Communications</i>		49,367	-	49,367	75,792
Other trading activities		7,838	-	7,838	14,392
Other income		52,881	-	52,881	84,300
Investments		685	-	685	602
Total income		2,356,758	709,907	3,066,665	3,224,921
Expenditure on					
Raising funds		208,399	-	208,399	159,404
Charitable activities					
<i>Consulting</i>		1,185,970	416,376	1,602,346	1,673,276
<i>Think tank</i>		669,313	356,098	1,025,411	1,080,948
<i>Communications</i>		389,117	-	389,117	418,967
Total expenditure	4	2,452,799	772,474	3,225,273	3,332,595
Net expenditure for the year		(96,041)	(62,567)	(158,608)	(107,674)
Transfers		(21,200)	21,200	-	-
Net movement in funds		(117,241)	(41,367)	(158,608)	(107,674)
Balance brought forward at 1 July		389,588	300,771	690,359	798,033
Balance carried forward at 30 June		272,347	259,404	531,751	690,359

All of these results are derived from continuing activities; all gains and losses recognised in the year are included above.

Movements in funds are disclosed in note 18 to the financial statements.

Detailed comparatives for the Statement of Financial Activities are disclosed in note 21 to the financial statements.

New Philanthropy Capital: Balance sheet

As at 30 June 2020



	Notes	2020 (£)	2019 (£)
Tangible fixed assets			
Investments	11	1	1
Fixed Assets	13	14,624	24,477
Current assets			
Debtors and prepayments	14	669,583	493,745
Cash at bank and in hand		600,512	735,864
		1,270,095	1,229,609
Current liabilities			
Creditors: amounts falling due within one year	15	(700,968)	(517,742)
Net current assets		569,127	711,867
Provision	16	(52,001)	(45,986)
Net assets		531,751	690,359
Funds			
Unrestricted funds		272,347	389,588
Restricted funds		259,404	300,771
Total funds		531,751	690,359

The financial statements were approved and authorised for issue by the trustees on 9 December 2020 and signed on their behalf by:

Vaughan Lindsay

Chair

Company No: 4244715

New Philanthropy Capital: Cash flow statement

For the year ended 30 June 2020

	2020 (£)	2019 (£)
Net (expenditure)/income	(158,608)	(107,674)
Adjustments for:		
Depreciation	16,754	13,248
Interest income	(685)	(602)
(Increase)/Decrease in debtors	(175,838)	(67,635)
Increase/(Decrease) in creditors	189,241	101,863
Net cash provided by operating activities	(129,137)	(60,800)
Cash flow from investing activities		
Investment income—bank interest	685	602
Purchase of tangible fixed assets	(6,900)	(8,043)
Net cash used in investing activities	(6,215)	(7,441)
Change in cash and cash equivalents in the year	(135,352)	(68,241)
Cash and cash equivalents at the beginning of the year	735,864	804,105
Cash and cash equivalents at the end of the year	600,512	735,864

“NPC have been creating very relevant insights since the start of the crisis, with accessible research summaries on the impact on the charity sector and advice for those who support them. This has been a welcome support to charities as they experience such challenging times.”

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Notes forming part of the financial statements for the year ended 30 June 2020



1. Accounting policies

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

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019)—(Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the

trustees have considered the charity's forecasts and projections and have taken account of pressures on donations, including the potential impact of covid-19. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b. Public Benefit Entity

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

All our activities contribute to our strategic aims and are for the benefit of the public. This report has set out NPC's activities and achievements and illustrates how they benefit charities and funders. By helping charities and funders to achieve a greater impact, we ultimately help the people that these charities and funders serve. The charitable company meets the definition of a public benefit entity under FRS 102.

Notes forming part of the financial statements

1. Accounting policies (continued)

c. Income

All income is included in the statement of financial activities (SOFA) when it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Donations are recognised when received. Legacies and gifts are taken into account on a receivable basis, but only when of the amount can be quantified with reasonable accuracy.

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

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

d. Grant-making

Grants payable are classified as charitable expenditure. Grants payable are charged in

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

e. Expenditure

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

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

Expenditure on raising funds	5%
Think tank	29%
Consulting	52%
Communications	14%

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

Notes forming part of the financial statements

1. Accounting policies (continued)

f. Expenditure on raising funds

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

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

g. Tangible fixed assets and depreciation

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

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

Computer equipment: over 3 years

Furniture and fixtures: over 5 years

Office equipment: over 5 years

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

h. Fund accounting

Funds held by the charity are either:

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

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

i. Pension

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

j. Leases

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

Notes forming part of the financial statements

1. Accounting policies (continued)

k. Taxation

The charity is exempt from taxation on its charitable activities.

l. Investments

The investment in the subsidiary is being held at cost.

m. Financial instruments

Financial assets, such as cash and debtors, are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables.

Financial liabilities, such as trade creditors are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of NPC after deducting all of its liabilities.

n. Debtors

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

o. Cash

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

p. Creditors and provisions

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

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

"NPC reports have influenced the strategic thinking within our organisation e.g. on influencing, on partnerships with corporate sector, governance and many more."

NPC Survey

Notes forming part of the financial statements

1. Accounting policies (continued)

q. Judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

- estimating the value of work in progress at the period end based on the percentage of work completed.
- estimating the dilapidations charge payable at the end of the office lease term.

r. Statutory information

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

“NPC sits at the nexus between donors and charities. This space is largely uncharted in the UK and inevitably NPC has the role of translator and, sometimes, mediator. This is a positive role, even if the messages are sometimes uncomfortable for each audience to hear.”

NPC Survey

Notes forming part of the financial statements



2. Donations and legacies

	2020 (£)	2019 (£)
Donations from or on behalf of trustees	325,000	200,000
Other donations	180,000	180,050
Supporters' Circle	104,316	124,334
Total	609,316	504,384

All income from donations and legacies was unrestricted in both 2019 and 2020. Total donations received from trustees was £334,999 (2019: £242,548) this was made up of trustee donations through the Supporters' Circle and unrestricted funding.

Additionally, an NPC trustee provided £2,025 of funding for us to further our work on system change. NPC would like to thank the Monday Charitable Trust, Tuixen Foundation, Gatsby Foundation and James Broderick for their unrestricted donations in support of NPC. This funding was invaluable to enabling NPC's response to covid-19.

*"NPC has changed the way I think about donating. NPC have identified ways to have a greater impact per pound spend.
NPC demonstrate that some smaller charities are more effective than larger - encouraging me to donate there.
NPC provides a validation of a smaller charity, meaning that I can donate there with no concern."*

NPC Survey

Notes forming part of the financial statements



3. Restricted revenue

		2020 (£)	2019 (£)			2020 (£)	2019 (£)
Think tank				Consulting			
<i>Inspiring Impact</i>	Barrow Cadbury Trust	-	500	<i>Trustee seminars</i>	Clothworkers' Foundation	14,000	10,650
	Access	6,911	56,500	<i>Transition Advice Fund</i>	Unbound Philanthropy	65,000	125,000
	National Lottery Community Fund	200,000	200,000		Legal Education Fund	25,000	95,000
	City Bridge Trust	-	15,000		Paul Hamlyn Foundation	40,000	80,000
<i>Diversity</i>	Trustee Unlimited	-	5,000		Foundation Open Society Institute	37,688	-
	Russam GMS	-	5,000		Barrow Cadbury Trust	25,000	55,000
<i>Homelessness</i>	Monday Charitable Trust	-	20,000	<i>Theory of Change</i>	Esmee Fairbairn Foundation	-	29,950
<i>Criminal Justice</i>	Goldsmiths	10,000	-	<i>Arts Outreach Research</i>	Mohn Westlake	20,583	102,917
	J Leon	-	7,500	<i>Big Questions in Classrooms</i>	Templeton World Charity Foundation	-	143,455
	Treebeard	-	16,750	<i>Discounted Legacy System</i>	Anthony Bolton	33,725	-
<i>My Best Life</i>	Paul Hamlyn Foundation	150,000	50,000	Total consulting		260,996	641,972
<i>State of the Sector</i>	Barrow Cadbury Trust	15,000	-				
	Lloyd Bank Foundation	20,000	-				
	Pricewaterhouse Coopers	15,000	-	Total restricted revenue		709,907	1,040,593
	Odgers Berndtson	5,000	-				
<i>covid 19 Data Analysis</i>	Health Foundation	27,000	-				
Other donations <£10,000		-	22,371				
Total think tank		448,911	398,621				

Notes forming part of the financial statements

4. Expenditure

	Cost of raising funds (£)	Consulting (£)	Think tank (£)	Communications (£)	2020 Total (£)	2019 Total (£)
Staff costs	145,235	546,972	1,007,746	283,676	1,983,629	1,880,019
Travel & subsistence	1,842	6,584	5,168	1,156	14,750	29,853
Recruitment & training	513	1,213	2,026	3,204	6,956	14,821
Partners & associates	33,403	90,479	190,476	1,050	315,408	311,018
Subscriptions, publications & data sources	507	1,020	1,587	2,728	5,842	6,586
IT, telecoms & equipment	211	304	377	6,201	7,093	11,411
Marketing & PR	-	31,055	3,163	32,563	66,781	43,410
Grant-making (note 5)	-	212,277	161,255	-	373,532	407,225
Other direct costs	591	4,579	8,499	1,920	15,589	22,546
Governance						
Staff costs—governance	383	1,923	3,262	832	6,400	19,140
Audit fees	631	3,165	5,368	1,369	10,533	10,600
Trustee recruitment	-	-	-	-	-	7,500
Other support costs						
Other staff & recruitment costs	1,837	9,220	15,638	3,987	30,682	90,699
Consultants & temp staff	1,526	7,655	12,982	3,310	25,473	22,795
Premises costs	12,334	61,879	104,943	26,758	205,914	197,905
Office move costs	-	-	-	-	-	94,853
Other office costs	1,630	8,176	13,867	3,536	27,209	31,603
Website & IT	3,407	17,091	28,985	7,391	56,874	51,968
Legal & professional	1,569	7,873	13,353	3,405	26,200	26,481
Bank charges	130	654	1,109	283	2,176	2,535
VAT	1,646	8,257	14,003	3,570	27,476	36,378
Depreciation	1,004	5,035	8,539	2,178	16,753	13,249
Total expenditure	208,399	1,025,411	1,602,346	389,117	3,225,273	3,332,595
Total expenditure 2019	159,404	1,080,948	1,673,276	418,967		3,332,595

Notes forming part of the financial statements



4. Expenditure (continued) – Prior year

PRIOR YEAR	Cost of raising funds (£)	Consulting (£)	Think tank (£)	Communications (£)	2019 Total (£)
Staff costs	121,706	517,627	964,927	275,759	1,880,019
Travel & subsistence	3,589	11,740	12,736	1,788	29,853
Recruitment & training	752	3,115	5,934	5,020	14,821
Partners & associates	-	168,112	140,246	2,660	311,018
Subscriptions, publications & data sources	183	1,086	2,174	3,143	6,586
Printing & distribution	-	-	-	1,203	1,203
IT, telecoms & equipment	-	30	67	11,314	11,411
Marketing & PR	1,067	5,002	4,523	32,818	43,410
Grant-making (note 5)	-	186,270	220,955	-	407,225
Other direct costs	227	9,442	9,297	2,377	21,343
Governance					
Staff costs—governance	1,007	5,641	9,872	2,619	19,140
Audit fees	535	3,105	5,461	1,499	10,600
Trustee recruitment	450	2,162	3,793	1,095	7,500
Other support costs					
Other staff & recruitment costs	4,718	26,781	46,857	12,343	90,699
Consultants & temp staff	1,151	6,677	11,743	3,224	22,795
Premises costs	10,043	58,250	101,491	28,121	197,905
Office move costs	4,743	27,507	49,324	13,279	94,853
Other office costs	1,596	9,257	16,280	4,470	31,603
Website & IT	2,625	15,223	26,771	7,349	51,968
Legal & professional	1,337	7,757	13,642	3,745	26,481
Bank charges	129	745	1,305	356	2,535
VAT	1,837	10,656	18,740	5,145	36,378
Depreciation	669	3,881	6,825	1,873	13,249
Total expenditure	159,404	1,080,948	1,673,276	418,967	3,332,595

Notes forming part of the financial statements



5. Grant-making

Organisations in the UK	2020 Total (£)	2019 Total (£)
IMIX	-	55,836
National Council for Voluntary Organisations	20,000	15,000
Evaluation Support Scotland	20,000	13,500
the3Million	34,250	77,250
Community Evaluation Northern Ireland	3,750	19,500
East European Resource Centre	-	10,000
Here for Good Law	-	33,000
JCWI	69,687	13,938
Public Law Project	48,500	12,125
The Children's Society	12,335	71,740
Social Value UK	32,000	25,500
Wales Council for Voluntary Action	20,000	13,500
Roma Support Group	11,250	11,250
Migration Observatory	12,952	-
Rights of Women	13,890	-
Unlock Democracy	17,000	-
Community Development & Health Network	16,251	-
Founders & Coders	10,500	-
UK Youth	12,757	-
Grants to organisations < £10,000	18,410	35,086
Total grants	373,532	407,225

Grants of £10,000 or over were made to these organisations.

NPC has a contingent liability of £63,841 relating to satisfactory report to release future grant payments under the Transition Advice Fund.

Future payments are subject to receipt of additional funding from partners.

"I find the guidance on evaluation methods and approaches very easy to use and informative. I like that they are updated to reflect what is happening."

NPC Survey

Notes forming part of the financial statements

6. Net movement in funds for the year

This is stated after charging:

	2020 (£)	2019 (£)
Auditor's remuneration (excluding VAT)		
- audit	10,500	10,600

7. Trustee remuneration expenses

The trustees neither received nor waived any emoluments during the year (2019: £nil) and no expenses were reimbursed to trustees (2019: £nil).

"I work as the measurement & evaluation lead for a counter extremism NGO. I taught myself M&E through reading how-to guides, evaluations, etc. some of the best of which came from NPC. Over the last 3 years I've used tools and frameworks inspired by NPC in dozens of projects all over the world."

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Notes forming part of the financial statements

8. Staff costs

	2020 (£)	2019 (£)
Wages and salaries	1,685,188	1,582,870
Social security costs	139,239	167,221
Pension costs	165,602	149,068
Total	1,990,029	1,899,159

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

	2020 (No.)	2019 (No.)
£60,001–£70,000	1	2
£70,001–£80,000	1	1
£80,001–£100,000	-	-
£100,001–£110,000	1	1

The average number of employees during the year was 44 (2019: 43).

The total amounts paid for salaries, fees and expenses in respect to the key management personnel of the charity were £385,098 (2019: £408,278). Key management personnel make up the senior management team, which consists of the Chief Executive, the Chief Operating Officer, the Director of Consulting, the Director of Innovation & Development, the Head of Communication and the Head of Policy. In the aftermath of covid-19 several senior management team members, including the Chief Executive, voluntarily reduced their salaries. Without these reductions the total amounts paid would have been £394,989, and 1 person would have earned £100,001 - £110,000, and 2 people would have earned £70,001 - £80,000

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

	2020 (No.)	2019 (No.)
Consulting	16	15
Think tank	8	8
Innovation & development	4	3
Communications & marketing	4	4
Executive, operations & strategy	7	7
Total	39	37

Notes forming part of the financial statements

9. Related party transactions

Aggregate donations and grants from trustees were £334,999 (2019: £242,548). More information can be found in note 2.

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

Client	Relationship	2020 (£)	2019 (£)
Allan & Gill Gray	One of NPC's staff members is a trustee	15,567	9,000
Baring Foundation	One of NPC's trustees is a trustee	19,360	24,703
Gatsby Foundation	One of NPC's trustees is a close family member	50,000	-
Indigo Trust	One of NPC's trustees is a Director	40,000	-
Heart of the City	One of NPC's trustees is Chair	11,238	-
Big Society Capital	One of NPC's trustees is Chair	700	-

10. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £165,602 (2019: £149,068). At 30 June 2020, contributions amounting to £15,080 (2019: £14,248) were payable to the scheme and are included in creditors.

11. Investments

The charity has an investment of £1 (2019: £1) in NPC Trading Ltd. An equivalent amount is shown in creditors.

12. Subsidiary company

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

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

	2020 (£)	2019 (£)
Net assets	1	1
Funds (represented by one share of £1)	1	1

Notes forming part of the financial statements

13. Tangible fixed assets

Cost	Computer equipment (£)	Totals (£)
Cost at 1 July 2019	45,776	45,776
Additions	6,900	6,900
Disposals		
30 June 2020	52,676	52,676
Depreciation		
Cost at 1 July 2019	21,299	21,299
Charge for period	16,753	16,754
Eliminated on disposal		
30 June 2020	38,052	38,053
NBV at 30 June 2020	14,624	14,623
NBV at 30 June 2019	24,477	24,477

14. Debtor and prepayments

	2020 (£)	2019 (£)
Trade debtors	173,155	107,336
Provision for doubtful debt	-	(8,637)
Prepayments	158,415	86,170
Donations and fees receivable	334,542	305,694
Other debtors	3,471	3,182
	669,583	493,745

15. Creditors: amounts falling due within one year

	2020 (£)	2019 (£)
Trade creditors	150,005	205,837
Taxation and social security	43,816	45,734
VAT	106,248	42,974
Pensions	14,215	14,248
Deferred income	263,466	115,374
Accruals	122,473	88,649
Other creditors	745	4,926
	700,968	517,742

Deferred income consists of consultancy income billed in advance.

	£
Deferred income as at 30 June 2019	115,374
Deferred income released during the year	(115,374)
Income deferred during the year	263,466
Deferred income as at 30 June 2020	263,466

16. Provisions

	£
Provisions as at 30 June 2019	45,986
Increase in provisions during the year	6,015
Provisions as at 30 June 2020	52,001

Notes forming part of the financial statements



17. Analysis of net assets between funds

	Unrestricted funds (£)	Restricted funds (£)	Total (£)
Fund balances at 30 June 2020 are represented by:			
Investments	1	-	1
Tangible Fixed Assets	14,624	-	14,624
Current assets	1,010,691	259,404	1,270,095
Current liabilities	(700,968)	-	(700,968)
Long term liabilities	(52,001)	-	(52,001)
Total net assets	272,347	259,404	531,751

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

"[We've been] using the NPC resources to work with our trustees and executive to improve grant making practices such as more unrestricted grants, reviewing diversity, equity and inclusion policies and streamlining the application process."

NPC Survey

Notes forming part of the financial statements

18. Restricted and unrestricted funds

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

	At the start of the year (£)	Income (£)	Expenditure (£)	Transfers	At the end of the year (£)
Restricted funds					
Inspiring Impact—collaboration to improve impact measurement practice across charity sector	24,032	206,911	(208,205)	20,565	43,303
Monday Homelessness – research into trends and sector interventions	20,000	-	(15,411)	-	4,589
Esmee Fairbairn – to update our Theory of Change	11,618	-	(11,618)	-	-
Mohn Westlake – research into arts outreach	-	20,583	(19,248)	-	1,335
Templeton – research big questions in classroom knowledge	74,566	-	(73,134)	-	1,432
My Best Life - collaborative project seeking digital solutions to the challenges facing young people today	19,414	150,000	(61,041)	-	108,373
Diversity – series of podcasts and essays on diversity, equality and inclusion	1,500	-	(1,500)	-	-
Transition Advice Fund (Programme Management)	20,409	26,219	(19,246)	-	27,382
Transition Advice Fund (grants)	108,667	166,469	(229,994)	-	45,142
Impact Management Programme small grants	20,565	-	-	(20,565)	-
Trusteeship (Clothworkers)	-	14,000	(14,000)	-	-
NPC Homelessness 2 (Goldsmiths)	-	10,000	-	-	10,000
NPC State of the Sector	-	55,000	(76,200)	21,200	-
Anthony Bolton	-	33,725	(33,725)	-	-
Health Foundation	-	27,000	(9,152)	-	17,848
Total restricted funds	300,771	709,907	(772,474)	21,200	259,404
Total unrestricted funds	389,588	2,356,758	(2,452,799)	(21,200)	272,347
Total funds	690,359	3,066,665	(3,225,273)	-	531,751

Notes forming part of the financial statements

18. Restricted and unrestricted funds (continued, prior year)

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

Notes forming part of the financial statements

19. Financial commitments

As at 30 June 2020 the charity was committed to making the following payments under non-cancellable operating leases:

	Land and Buildings		Other Operating Lease	
	2020	2019	2020	2019
	£	£	£	£
Within one year	132,350	175,286	-	-
Within two to five years	-	131,465	-	-
Total	132,350	306,751	-	-

20. Post balance sheet events

In July 2020 the charity received a £200,000 grant from the Gatsby Foundation, half of which is unrestricted and half of which is restricted to NPC's work on the future of the sector.

In September 2020 the charity signed a 4-year unrestricted grant agreement with Oak Foundation for a total of £600,000. £450,000 will be received in the financial year ending 30 June 2021 with £50,000 to follow in the three years thereafter.

In September 2020 the charity announced its partnership with Ipsos Mori who have been commissioned by The National Lottery Community Fund to evaluate the Coronavirus Support Fund, one the most important funds in the charity sector.

"The focus on data and impact and technology has been important and positive. NPC takes on important and difficult issues (e.g. technology) and keeps on about it so it doesn't let the sector forget them. The output from NPC is always relevant and thought provoking and well written."

NPC Survey

Notes forming part of the financial statements



21. Detailed comparatives for the statement of financial activities (2019)

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

"[NPC are] at the front in terms of producing real-time data to help philanthropists respond to shifting needs."

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Reference and administrative details



Charity registration number: 1091450
Company registration number: 4244715

Trustees

Simon Buckby (resigned January 2020)
Delroy Corinaldi (appointed March 2020)
Sally-Anne Greenfield
Lucy de Groot
Vaughan Lindsay (Chair)
Sir Harvey McGrath
Francesca Perrin
Marcelle Speller (resigned September 2019)
John Stares (Vice-Chair)
Peter Wheeler

Chief executive: Dan Corry

Policy advisory board co-opted members

Charlotte Alldritt
Dame Kate Barker
Sir Steve Bullock DL
Daria Kuznetsova
Neil McInroy
James Plunkett
Dr Katherine Rake
Charlotte Ravenscroft
Neil Sherlock
Caroline Slocock
Nick Timmins

Development board co-opted members

Keith MacDonald
Chris White

Registered office

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Auditors

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10 Queen Street Place, London EC4R 1AG

Bankers

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

Solicitors

Bates, Wells & Braithwaite
10 Queen Street Place, London, EC4R 1BE





NPC is a charity think tank and consultancy. We help charities, foundations, philanthropists, impact investors, social enterprises, corporates, and the public sector to maximise social impact in the lives of the people they serve.

As a charity, we rely on the generosity of our supporters. Find out more about how you can support our work to transform the sector.

"Good ideas, effective research, independent thinking." NPC Survey



About New Philanthropy Capital