

NOMINET CHARITABLE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010

COMPANY NO: 06578379

CHARITY NO: 1125735

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NOMINET CHARITABLE FOUNDATION

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NOMINET CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2010

The charitable company was incorporated on 28 April 2008

The Trustees present their report together with financial statements for the year ended 30 April 2010

ADMINISTRATIVE DETAILS

Working Name	Nominet Trust
Company Number	06578379
Charity Registration Number	1125735
Principal Office	Minerva House Edmund Halley Road Oxford Science Park Oxford OX4 4DQ
Trustees	J Welfare (Chairman) I Ritchie (Deputy Chairman, Hon Treasurer) L Cowley S Dyer J Kemp V Miner
Solicitors	Blake Lapthorn Seacourt Tower West Way Oxford OX2 OFB
Auditors	Critchleys Accountants LLP Chartered Accountants Greyfriars Court Paradise Square Oxford OX1 1BE

NOMINET CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010

GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Memorandum and Articles of Association dated 28 April 2008 as amended by Special Resolution dated 5 September 2008

Recruitment and Appointment of new Trustees

Nominet Trust Trustee recruitment policy is guided by the Memorandum and Articles of Association. These are that

Three Trustees shall be appointed by Nominet UK and those Trustees shall be appointed for terms of three years or as and when required. At least one of the Trustees appointed by Nominet UK may be a Nominet UK Board member and at least one Trustee may be an employee of Nominet UK. Each Trustee appointed by Nominet UK shall be eligible for re-appointment for consecutive periods not exceeding six years from the date of their original appointment and thereafter Trustees shall not be eligible for re-appointment until one year after their retirement. In this clause a 'year' means the period between one annual retirement meeting and the next.

All other Trustees (the 'Elected Trustees') shall be appointed for terms of three years by the Trustees on an annual basis at an annual retirement meeting of the Trustees which shall be held not more than four weeks before each anniversary of incorporation of the Charity.

One third (or the number nearest one third) of the Elected Trustees must retire at each annual retirement meeting, those longest in office retiring first and the choice between any of equal service being made by drawing lots.

Elected Trustees shall be eligible for re-appointment for consecutive periods not exceeding in aggregate six years from the date of their original appointment and thereafter Elected Trustees shall not be eligible for re-appointment until one year after their retirement (a 'year' means the period between one annual retirement meeting and the next).

The elected Trustees will be recruited by the Trust. This would involve an interview with the Chairman and one other Trustee. The recruitment process will be assisted via an appropriate recruitment agency.

Induction and ongoing training of Trustees

Upon appointment all Trustees were inducted to the organisation and briefed by the company Solicitors on the responsibilities of being a charity Trustee and given background information regarding the Charities Act 2006. The Trustees are updated on any changes and developments in the Charities Commission guidance by the Trust Officer to ensure they are fully aware of, and comply with all relevant legislation and guidance.

Trustees' Responsibilities

The Trustees as company Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Policies or International Financial Reporting Standards.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the results of the company for that period. In preparing those accounts the Trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

NOMINET CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010

Organisational Structure and how decisions are made

The Charity has a board of 6 Trustees, 2 of which are employed by Nominet UK and 4 of which are independent (including the Chairman and Treasurer) There is 1 part time member of staff, a Trust Officer, and 2 agency staff, a Trust Administrator and an Administrative Assistant

Day to day management of the charity is delegated to the Trust Officer who receives all grant applications and conducts initial screening using the charity objects and grant making criteria All decisions relating to grant making and strategy are made at quarterly Trustees meetings and minuted If decisions need to be made outside of the Trustee Meetings a consensus view is reached via e-mail

Relationship between the Charity and Related Parties

Lesley Cowley, Trustee, is a Director of Nominet UK, the company which established the charity During the year a donation of £3m was received from Nominet UK (2009 £5m)

There are no other related party relationships

Risk Management

The Trustees have identified the major risks which may affect the charity and have taken reasonable steps to mitigate those risks

Objectives and Activities

The Nominet Charitable Foundation is a charitable organisation that will fund education, research and development initiatives in the internet industry

Grantmaking Policies

The Charity will make grants to appropriate organizations that meet the following criteria

- Increase education in the subject of the Internet and information technology particularly in deprived areas
- Relieve the social, health, and educational needs of disabled, sick and frail elderly people
- Support research into innovations that may relieve such needs by conducting and commissioning research, applying such research, and by the publication of effective results
- Advance the education of young people in the United Kingdom to support education institutions offering a strong emphasis on technology and its practical applications
- Promote the protection of children and other vulnerable people from danger, suffering, or being abused through the use of the Internet
- Provide and support the provision of services that will protect people and property from criminal activities on the Internet and to assist in the development of technology to prevent and detect criminal activity on the Internet
- Assist the development of the Internet in developing countries to relieve financial hardship and advance education

Performance and Financial Review

The Charity received a £3m donation from Nominet UK in September 2009, and generated income from investments of £66,000 in the year ending 30 April 2010

Operating costs were kept to a minimum and costs incurred during the year were in direct relation to the ongoing running of the Charity (recruitment, legal and web development costs) The Charity awarded £2,206,438 (2009, £245,355) in grants

The principal financial management policies adopted in the current economic climate are to maximize income opportunities from un-allocated reserves while minimizing risk exposure and so limiting investments to treasury deposits

**NOMINET CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010**

Performance and Financial Review (continued)

The creditor balance at the year-end was made up primarily of grants payable and Nominet UK. These creditor accounts will be settled within the first quarter of the new financial year.

The balance sheet is very strong with unrestricted funds totalling £5.48m, all funds are available within 30 days and held with major banks.

Although other funding sources are being considered, the principal funding source for the Nominet Charitable Foundation is Nominet UK. This is expected to be the case for at least the next 12 months.

Reserves Policy

It is the Charity's policy to hold a minimum level of working capital to continue operations, the stated objectives and grant making for a period no less than 12 months. It is the view of the Trustees that a minimum level of unrestricted funds should be maintained at £500,000.

The policy of the Trustees therefore is to maintain the level of reserves above the threshold by means of annual operating surpluses and supplementing reserves by seeking sufficient donations from 3rd parties and other fund raising activities.

Investment Policy

The Trustees pursue a risk averse investment policy, all monies being invested in interest bearing investments.

Activities for the Public Benefit

The Trustees have complied with the duty in s4 Charities Act 2006 to have due regard to guidance published by the Charity Commission.

The charity has undertaken the following activities to further its charitable purposes for the public benefit.

The charity undertook an outreach exercise to publicise its objectives and aims and has established a website to provide information on how to apply for grants, supplying supporting information on criteria for grant making and eligibility. There are no restrictive criteria for prospective grantees other than the main Nominet Charitable Foundation criteria detailed.

The aims of the Charity are wide and in the public benefit, promoting access to the internet for all, increasing security and advancing education of young people.

Progress updates from issued grants are reviewed by the Trustees and publicized on the website, along with other news and Foundation initiatives.

NOMINET CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010

Plans for the Future

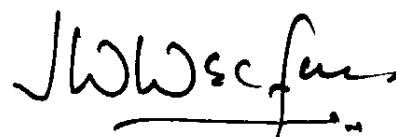
The Charity plans on increasing grants issued to around £3.5m over the next 12 months. They will also continue to build on partnerships, both strategic and financial. The Trust will have a new Executive Director starting in September 2010 who will help extend outreach programmes further and may assist as necessary in finding alternative sources of funding.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the small companies regime under the Companies Act 2006.

ON BEHALF OF THE TRUSTEES

27/8/10

Date


J Welfare
Trustee

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF
NOMINET CHARITABLE FOUNDATION**

We have audited the financial statements of Nominet Charitable Foundation for the year ended 30 April 2010 which comprise the Statement of Financial Activities, the Balance sheet and the related notes. The financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The Trustees' (who are also Directors of the company for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's financial statements give a true and fair view are set out in the statement of Trustees' responsibilities on page 2.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the Directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent mis-statements in it.

Basis of Audit Opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 30 April 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information in the Trustees' report is consistent with the financial statements.


Robert Kirtland (Senior Statutory Auditor)
For and on behalf of Critchleys Accountants LLP, Statutory Auditor.

Date: 3/5/2010

**Greyfriars Court
Oxford
OX1 1BE**

NOMINET CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2010

	Note	Total 2010 £	Total 2009 £
INCOMING RESOURCES			
Donation from Nominet UK		3,000,000	5,000,000
Investment income	2	66,355	85,307
		<hr/>	<hr/>
Total Incoming Resources		3,066,355	5,085,307
		<hr/>	<hr/>
RESOURCES EXPENDED			
Costs of generating funds:			
Charitable Activities:			
Grants payable	3	2,206,438	245,355
Support costs	4	299,682	54,574
Governance costs	5	4,440	50,429
		<hr/>	<hr/>
		2,510,560	350,358
		<hr/>	<hr/>
Total Resources Expended		<hr/>	<hr/>
Net income for the period		555,795	4,734,949
		<hr/>	<hr/>
Net movement in funds		555,795	4,734,949
Fund balances brought forward		4,734,949	-
		<hr/>	<hr/>
Fund balances carried forward at 30 April 2010		5,290,744	4,734,949
		<hr/> <hr/>	<hr/> <hr/>

NOMINET CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 30 APRIL 2010

	Note	2010 £	2009 £
Current Assets			
Debtors	8	41,888	-
Cash at bank		5,476,796	5,075,658
		<u>5,518,684</u>	<u>5,075,658</u>
Liabilities			
Creditors - amounts falling due within one year	9	227,940	340,709
Net Current Assets		<u>5,290,744</u>	<u>4,734,949</u>
Total Net Assets less Current Liabilities	10	<u>5,290,744</u>	<u>4,734,949</u>
The Funds of the Charity			
Unrestricted income funds		5,290,744	4,734,949
Total Charity Funds		<u>5,290,744</u>	<u>4,734,949</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved and authorised for issue by the Board of Trustees on 27/6/10 and signed on its behalf by:



 J Welfare -Trustee

NOMINET CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010

1. Principal Accounting Policies

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

a) Incoming Resources

Donations receivable for the general purposes of the charity are credited to Unrestricted Funds

Income on deposit accounts is credited when receivable

b) Resources Expended

Expenditure is charged on an accruals basis. Support costs are split between charitable activities and governance costs based on an estimate of the time spent on these areas. Irrecoverable VAT is charged as an expense

For unrestricted funds grants payable are included as an expense when they are approved by the Trustees and have been notified to the grantee

c) Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity

Designated funds are unrestricted funds set aside by the Trustees for specific purposes

d) Donated Services

As disclosed in note 7 to the accounts for the period ended 30 April 2009 the Trust used the services of two staff members seconded from Nominet UK Limited. These services have been valued at the employees' actual rates of pay. They have not been included in the SOFA since they are not material and are not expected to reoccur in future accounting periods

2. Investment Income

	2010	2009
	£	£
Bank interest	66,355	85,307
	<u> </u>	<u> </u>

NOMINET CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010

3. Grants Payable	£
Unltd	500,000
The e-Learning Foundation	281,680
Age UK	184,580
Beatbullying	174,597
Channel 4	100,000
Gemin-i org	82,051
Alzheimer's Society	68,961
Busymummy Ltd	60,000
AbilityNet	59,709
ENABLE Scotland	58,935
Gateshead College	50,000
The Internet Watch Foundation	50,000
Citizens Online	50,000
Action for M E	50,000
UK Internet Crime & Disorder Reduction Partnership	50,000
Oxford Internet Institute	50,000
Sundry grants less than £50,000	335,925
	<hr/>
	2,206,438
	<hr/>

4. Support Costs	2010	2009
	£	£
Staff costs	77,959	-
Staff recruitment	39,704	-
Travel and subsistence	15,254	4,265
Printing and stationery	759	878
PR costs, branding and website development	150,258	35,571
Training and conferences	3,176	529
Legal and professional	10,762	11,914
Insurance	-	500
Sundries	1,810	917
	<hr/>	<hr/>
	299,682	54,574
	<hr/>	<hr/>

NOMINET CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010

5 Governance Costs	2010 £	2009 £
Audit fee	2,944	2,000
Trustee recruitment expenses	-	48,429
Trustee meetings	403	-
Legal Fees	1,093	-
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	4,440	50,429
	<hr/>	<hr/>

6. Trustees' Expenses

Expenses in respect of travel and subsistence totalling £7,169 (2009 £3,009) were reimbursed to four Trustees during the period. No Trustee received any remuneration.

7. Donated Services

In 2009 the Trust had no employees during the year but used the administration services of two employees seconded from Nominet UK. From June 2009 the costs of these employees have been paid by the Trust. The Trust also had use of computer facilities and legal and financial management provided by Nominet UK.

8. Debtors	2010 £	2009 £
Accrued income	41,888	-
	<hr/>	<hr/>

9. Creditors - Amounts falling due within one year	2010 £	2009 £
Trade creditors	9,053	65,844
Grants payable	200,000	245,355
Accruals	18,887	29,510
	<hr/>	<hr/>
	227,940	340,709
	<hr/>	<hr/>

NOMINET CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010

10. Analysis of Net Assets between Funds

	Income Fund £	Total Funds £
	<hr/>	<hr/>
Total net current assets	5,290,744	5,290,744
	<hr/>	<hr/>

11. Related Parties

Lesley Cowley, Trustee, is a Director of Nominet UK, the company which established the charity. A donation of £3m (2009 £5m) was received in the year from Nominet.