



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

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2007**

Charity No. 1091450

Company No. 4244715

## **Our vision**

New Philanthropy Capital's vision is a world in which effective charities receive the money and other resources they need to create maximum impact in improving lives. Today, charities delivering the best results are not always those with best access to money, and donors do not always know which organisations are really making a difference.

## **Our mission**

NPC wants to improve the way donors support charities, so that money flows to the most effective organisations. We produce independent information and analysis for donors, available on our website, to guide them on where and how to give. We provide expert advice to donors on where they can make the greatest difference. NPC is also equipping charities to help them measure and demonstrate their results so that they can attract money based on their success.

## **NPC is committed to**

providing the highest quality public research and private advice for donors. Only by creating the best analysis will we achieve our mission to change the way money is given to charities.

employing the best people for our work. We are proud of the commitment and professionalism that distinguish our staff.

building client relationships that combine our clients' interests with our expertise. These relationships are founded on trust, confidentiality and a commitment to the best possible advice.

engaging with charities respectfully and with understanding. Analysing the work of charities requires judgement. We aim to do this as fairly and as professionally as possible.

making our research and analysis on the work of charities publicly available. Only by making this public can its impact be maximised.

being transparent about the way we work. Our methodologies are public and we invite charities as well as funders to comment on these.

challenging the status quo. Achieving our vision requires change. We empower our staff to question old approaches and create new ones, recognising that our work is breaking new ground.

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**Annual Report and Financial Statements**

*For the year ending 30 June 2007*

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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2007  
(incorporating Directors' report)**

**Reference and administrative information**

<b>Trustees</b>	David Robins, Chairman Jon Aisbitt David Blood (Resigned 31 January 2007) Gavyn Davies Kathleen Duncan Rishi Khosla (Appointed 3 March 2008) Peter Mallinson Harvey McGrath Nigel Morris Baroness Julia Neuberger (Appointed 3 March 2008) Stephen Rumsey (Appointed 5 March 2007) Danielle Walker Palmour (Resigned 8 October 2007) Peter Wheeler
<b>Governance Committee</b>	David Robins (Chair) Jon Aisbitt Peter Wheeler
<b>Operating Committee</b>	Nigel Harris (Chair) Jon Aisbitt Kathleen Duncan David Robins Peter Wheeler
<b>Chief Executive</b>	Nigel Harris
<b>Chief Operating Officer &amp; Company Secretary</b>	Jocelyn James
<b>Registered Office</b>	3, Downstream Building 1 London Bridge London, SE1 9BG
<b>Auditors</b>	KPMG LLP 1 Forest Gate Brighton Road Crawley, West Sussex, RH11 9PT
<b>Solicitors</b>	Bates, Wells & Braithwaite 2-6 Cannon Street London, EC4M 6YH
<b>Bankers</b>	NatWest Charing Cross Business Centre 3rd Floor, Cavell House London, WC2H 0NN
<b>Investment Managers</b>	Cazenove Capital Management Limited 12 Moorgate

The Board presents the report and financial statements of New Philanthropy Capital for the year ended 30 June 2007. These financial statements comply with the Companies Act 1985, the Memorandum and Articles of the company and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised March 2005).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is a charitable company limited by guarantee. The guarantee of each member is limited to £1. The governing documents are the Memorandum and Articles of Association of the company.

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

The Trustees in office during the period and at the date of this report are set out on page 4. New Trustees are appointed by the members of the Charity and serve for four years, after which period they may put themselves forward for re-appointment. The Trustees meet four times a year.

### **Induction and Training**

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

### **Risk Assessment**

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

### **Charity Committee**

The Charity Committee, reporting to the Board of Trustees and chaired by the Chief Executive, provides an independent review of charity recommendations being made for quality and consistency. The committee includes Trustees, members of senior management and, more recently, external representatives. It acts as the final step for approval for charity recommendations that are made available to donors and published on our website. The committee met 14 times during the year; 2 meetings included external representatives.

### **Governance Committee**

The committee is responsible for:

- Ensuring NPC's governance structure meets the needs of the charity and is consistent with regulatory requirements and best practice
- Defining the Roles and Responsibilities of the Board of Trustees
- Recruiting and inducting new Trustees
- Evaluating the performance of the Board of Trustees

The committee focussed this year primarily on the recruitment of a new Trustee. In line with the recruitment procedures recommended by the 2005 governance review, the Governance Committee reviewed the short list of candidates and all members of the committee approved the new appointment.

### **Statement of responsibilities of Trustees of New Philanthropy Capital in respect of the report and financial statements**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The group and charitable company financial statements are required by law to give a true and fair view of the state of affairs of the group and the charitable company and of the group's excess of expenditure over income for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

### **Disclosure of information to auditors**

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and the Trustees have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Management and Staffing**

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

The Management Team consists of the Chief Executive, Chief Operating Officer, the Director of Research, the Director of Advisory Services, the Head of Research, the Head of Client Development and the Head of Donor Advisory.

## **Subsidiary**

The charity has a wholly owned trading subsidiary, NPC Trading Limited. The company did not trade during the year ended 30 June, 2007.

## **OBJECTIVES AND ACTIVITIES**

The objects of the Charity are to improve the efficient and effective use of resources for charitable purposes by evaluating the governance of particular charities, or a range of charities, and the impact of their activities.

**NPC's research** guides donors on how best to address social need and disadvantage. It identifies and highlights effective charitable approaches, regardless of the size or status of the organisation that carries them out. It also recommends a number of charitable organisations based on our research conclusions. These are examples of particularly effective practice, where funding can make a real difference.

NPC develops a detailed understanding of a social problem by talking to policy-makers, practitioners, academics and other experts. The research teams visit and analyse charities working in the field. The research provides a comprehensive overview for funders of the scale of the need, the role of government, the work of charities and the results they achieve. For recommended charities, assessments are made of the achievements, the need for additional funding, the financial structure, opportunities for growth and risks. All NPC research reports are placed in the public domain by making them available on our website.

**NPC's advisory service** draws on its unique research product and knowledge base to provide a tailored service to donors, ranging from wealthy individuals to foundations, companies and professional grant-making trusts. Some donors are looking for a complete service: setting up their foundation, defining an issue, selecting and supporting charities and reviewing their funding. Others may seek help at only one stage in the process, selecting a suitable charity in their chosen area or meeting other donors interested in the same issues, for example. Examples of our donor services include:

- **Developing a strategy for giving:** Donors and funders often find their giving more effective and rewarding when they have a strategy and clear goals. NPC helps donors to define a specific area to support by matching their personal interests with an understanding of areas of need to help maximise the impact of their giving. NPC also helps donors to build their knowledge, for example through briefings by analysts, charity visits and introductions to experts in the field.
- **Creating themed portfolios:** Many donors and funders want to focus on a specific issue or community. However, they may lack the time and knowledge to find out which charities are most effective. NPC can create a portfolio of charities that

matches a donor's interests and criteria. All charities included in a portfolio have been analysed and have a proven track record. NPC also manages a donor's relationships with charities and helps to streamline the process.

- **Reviewing funding:** Established donors may be keen to look at their impact or think through how they could improve it. NPC can help them to review their giving in a variety of ways, ranging from a simple discussion to grant analysis, and can suggest different options for consideration by a donor.

- **PRINCIPAL ACHIEVEMENTS FOR THE YEAR**

**Research**

*Sector Reports and Cost Papers*

Six reports have been published:

- ***Striking a chord:*** *Using music to change lives (launched November 2006),*
- ***What price an ordinary life?*** *The financial costs and benefits of supporting disabled children and their families (contributed to the HM Treasury and the Department for Education and Skills review of services for disabled children, launched December 2006),*
- ***Read on:*** *Literacy skills of young people (launched March 2007),*
- ***A long way to go:*** *Young refugees and asylum seekers in the UK (launched April 2007),*
- ***Lean on me:*** *Mentoring for young people at risk (launched May 2007), and*
- ***Misspent youth:*** *The costs of truancy and exclusion (launched June 2007).*

We are grateful for the financial support of a large number of individuals and foundations for these reports. Full details are set out in note 6 to the financial statements.

*Charity Recommendations*

As part of NPC's research process, we select a number of charities for each area we review which we identify as having high impact and potential. The charities chosen are selected to illustrate a range of approaches to tackling a problem and are not intended to be a league table.

For each charity, we develop a two-page report that sets out the specific issues the charity tackles, their main approaches and activities to do so, their impact and an outline of the impact that further private donations might have. The intention is to provide donors with examples of particularly effective practice, where funding can make a real difference. During the year, approximately 140 charities were visited and approximately 70 charity recommendations were presented to the charity committee (some of which related to visits in the prior year). Of these, 41 were approved by the charity committee. Practical constraints prevent NPC from visiting all charities that work in a given sector, and hence there may be many effective charities that are not listed in NPC's portfolio of charity recommendations. However, each set of recommendations is regularly assessed and periodically updated as situations change and more information becomes available. NPC has developed a mechanism to provide formal feedback to all charities that we review as part of our work.

Since September 2005, all of NPC's sector research and charity recommendations have been made freely available to the general public through our website.

[www.philanthropycapital.org](http://www.philanthropycapital.org) Over this period, over 10,000 copies of the research reports, and nearly 7,000 individual charity recommendations have been downloaded. In the year to 30 June 2007, 5,200 copies of the research reports and 4,900 individual charity recommendations were downloaded, whilst site traffic has doubled.

Again this year, members of the NPC Research team have been invited to present findings to a large number of groups, including the National Council for Voluntary Organisations, Big Lottery Fund, Scotland Funders' Forum, Barnardo's, Southern African Monitoring and Evaluation Association, Goldman Sachs' philanthropy seminar, Coutts philanthropy forums, Centre on Philanthropy's inaugural Giving in Partnership conference as well as individual foundations. We view these opportunities both as a validation of the content of our research work and a demonstration of the impact our work is having more broadly. Equally importantly, members of our research team are also presenting the research to growing numbers of individual clients, most particularly individual charity recommendations or packages of recommendations.

Excitingly, we have also seen increasing evidence that our public research is valued not only by a range of donors and funders, but also by operational charities. Though we do not work for operational charities, and we are never funded by operational charities, we believe that our work on results and effectiveness in charities is creating change within the charitable sector itself as well as among donors. We have responded to that change by formalising our tools programme for 2007/08, described later.

### *Methodology*

A detailed framework for NPC's charity analysis was developed in 2005 (***Funding Success: NPC's approach to analysing charities*** was published in December 2005). Based on our experience in researching charities, this report provides a pragmatic toolkit for analysts, ensuring a consistent framework is applied to NPC's judgement in the area of charity analysis. Publication of this report is a demonstration of our commitment to transparency to both donors and charities. Feedback on the report has been extremely positive. More than 2,000 copies have been distributed or downloaded to date.

We are in the process of developing ***Funding Success II*** which is expected to be launched in early 2008. This document will share lessons learned and changes to our approach.

### **Advisory**

NPC's Advisory team has worked with a variety of clients during the year, including individuals, companies and foundations.

Over the year, fees from NPC's Advisory services have grown significantly to over £400,000. Around 50% of this was generated from portfolio services (ie, NPC's recommendations on specific charities to fund) for individuals, companies, trusts and foundations. 37 portfolio clients were secured and serviced in 2006/07, of which 21 are individuals, 9 are companies (both public and private), and 7 are trusts and foundations. As a result, NPC directly advised on £8.1m of funding in the year of which a total of £5.9m had been disbursed to charities by 30 June 2007. This represents a 250% increase on 2005/06 levels.

The remaining 50% of advisory fee income was generated from work for a range of donors, which included reviewing funding approaches and strategies, support with defining areas of need and potential for maximising impact, support in setting up and running a foundation, and bespoke research.

Specifically, our work in the year has included:

- Three pieces of work to advise funders on areas of need and approaches for maximising impact within these areas of need. These have been both to support funders in choosing between areas of need (eg, whether to operate in disability or with refugees) and within areas of need (eg, where can funding have the greatest impact within the area of older people). NPC is uniquely well placed to deliver such work as it draws on the combination of NPC's extensive research knowledge and advisory skills in supporting decision-making. The work has related to funding of between £1m and £30m pa.
- A study into approaches to international development funding by UK trusts and foundations, commissioned and funded by the Baring Foundation, Lloyds TSB Foundation for England and Wales, Nuffield Foundation and Paul Hamlyn Foundation.
- Setting up and managing start-up foundations. One example is that NPC has managed and administered the newly established Private Equity Foundation (PEF) since November 2006. In April 2007 a permanent PEF Chief Executive was appointed, but NPC's role has continued, primarily focussing on the expansion and ongoing management of the charity portfolio. NPC's research is also supporting the 2007 charity selection through performing in-depth diligence on the short-listed charities.

NPC has also sharpened its focus this year on working with a range of commercial intermediaries and advisors – principally private banks, law firms and accountants – to include philanthropic advice as a potential service available to private clients. This collaboration is bringing benefits to both the client and the advisor whilst also providing NPC with greater exposure to the private client marketplace.

### **Marketing**

NPC's marketing effort is directed at raising awareness of NPC and its services, as well as to create the market and momentum for them.

This year our efforts have focused on:

- Raising the awareness of NPC's profile and services. This has grown considerably as a result of an increase in the quantity and quality of **media coverage** received. In addition to securing coverage of our sector reports, we have publicised two new types of reports, (***Striking a chord***: Using music to change lives, and ***Misspent youth***: the costs of truancy and exclusion). Our media coverage has more than doubled and has included the major national press as well as the sector-specific media and the lifestyle press.
- The publication by NPC of **market research** by Scorpio Partnership into the advisory needs of ultra high net worth individuals and their advisors helped to raise NPC's profile among intermediaries and to position us as partners for family offices. The research highlighted the difficulties that wealthy philanthropists face in finding good advice and the opportunity for advisors to provide an improved service to clients in this area.
- Continuing to build on our existing **marketing materials** (eg, quarterly *Giving Insights* magazine, more than 120 Charity Recommendations and our website). We have, in addition, produced new materials to market NPC and its services. These include a new brochure (*Getting smart about giving*), a leaflet (*Your philanthropy: From start to finish*) and the first of a series of podcasts. These materials help to communicate NPC's mission and offering more clearly to different audiences. We have also continued to contribute to external publications.

- Staging a **series of events** to engage donors, both new and existing, and to report to charities about our research findings. These have included both visits to charities we recommend and events to launch our sector reports.

### **Trustees**

Stephen Rumsey joined the Board of Trustees during the year. Stephen was most recently founder and joint CEO of European Credit Management and prior to that was Managing Director, Debt Markets Division of Merrill Lynch. He has a particular interest in the environment and his other trusteehips include Birdlife International, the Wetland Trust and the Brazilian Atlantic Rainforest Trust.

David Blood and Danielle Walker-Palmour resigned from the Board of Trustees during the year. We are grateful to them for the significant contributions they made to NPC's work. Their input will be missed.

### **Staffing**

The team again grew significantly during the year increasing from 31 to 37 permanent staff members at the end of June 2007, including 5 part-time employees. One further consultant joined the donor advisory team and the remaining additions were to the research team which expanded from 16 to 21. Since the year end James Garvin has been appointed as the new Director of Advisory Services and joined the team in early September. James was previously Global Head of Equity Capital Markets at UBS.

We continue to make a substantial investment in training and our staff has undertaken over 130 days of internal or external training during the year. In addition two members of our staff have taken post-graduate courses partly funded by NPC.

## **FINANCIAL REVIEW**

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

### **Financial Activities and Results**

Total incoming resources amounted to £2,786,660 (2006 £2,109,617). This includes interest receivable of £15,526 (2006 £35,164), advisory fees of £412,265 (2006 £156,146), grants for research or other projects of £396,685 (2006 £486,962), donations of £883,927 (2006 £874,729) and donations received on behalf of donor clients £1,034,259 (2006 £492,847) where the Trustees have allowed donors to express preferences as to donations to charities recommended by NPC

### **Resources Expended**

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

### **Funding**

NPC has continued to diversify its income stream during the year. For research projects NPC seeks external funding from both professional foundations and individuals. We have been successful in securing grant funding to cover a significant portion of the costs of the research agenda for the year. Full details of grant income are set out in note 6 to the financial statements.

NPC charges fees to donors and funders to cover the cost of providing advice. The volume of fees has increased by more than 160% over the previous year and now covers more than half of the costs of our advisory work.

During the year NPC received donations totalling £183,175 from Friends of New Philanthropy Capital, Inc. This is a corporation formed under section 501(c) 3 of the US Internal Revenue Code. The corporation is independently financed and managed and is not a related company of New Philanthropy Capital.

### **Investment Policy**

In accordance with the Memorandum of Association, the Trustees have the power to invest the charity's funds not immediately required in any investments, securities or property and to delegate the management of investments to a financial expert. The Trustees have engaged Cazenove Capital Management as investment managers and invested in a cash fund run by Barclays Global Investors. The policy is to invest in low risk marketable instruments focussing on maximising income. The returns are measured against short-term deposit rates. As of June 30, 2007 there were investment funds totalling £5,789 (2006 £579,860) held in the fund.

### **Reserves**

The charity had total reserves of £476,943 at 30 June 2007 (2006 £866,906), of which £450,501 (2006 £361,832) is held in restricted funds. The current reserves cover two months of operating expenditure. In addition, the charity has received commitments for unrestricted funding of £1.95m of which £1.2m is due to be received in the 9 months after 30 June 2007. This funding would cover an additional 5 months of operating expenditure. The Trustees deem it prudent to have access to sufficient financial resources to cover 6 months' operating expenditure and are confident that at the year end the total of reserves, both restricted and unrestricted, and pledges provides this.

### **Grant Making Policy**

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

## **PLANS FOR THE FUTURE**

### **Trustees & Strategy**

Following the Board Assessment undertaken in 2006 the Trustees have established an Operating Committee of four Trustees which is chaired by the Chief Executive and acts as a sub-committee of the Board. The committee meets with the management team approximately 10 times a year to review performance and provide guidance on operational and strategic issues.

Full meetings of the Board have been reduced in frequency to four per annum but increased in length to 3 hours. The focus of these meetings will be primarily strategy, planning, performance monitoring and risk assessment.

Management and staff are all invited to provide input to strategic issues at the annual away day.

The Trustees are continuing to address the future funding of NPC's activities through the raising of additional development capital, and, with the management team, are reviewing a range of potential sources of that capital.

### **Chief Executive**

After six years with NPC, the last three and a half as Chief Executive, Nigel Harris has decided to leave the charity to explore opportunities in international development and social investment. The Trustees have confirmed that Martin Brookes will take over as Chief Executive with effect from 31 March 2008.

Nigel has done an outstanding job in taking NPC to where it is today. Not only was he instrumental, along with Martin, in changing the focus of our research in the early days of the charity's development, but as Chief Executive he has subsequently led the organisation with vision and huge commitment to bringing about change in the charitable market place. He has not only provided leadership within NPC, but has forged strong relationships with many of the organisations with which we now work closely, as well as actively supporting our efforts to develop the donor base.

Having made such an enormous contribution to NPC's development, Nigel will be greatly missed, but we wish him every success in his future endeavours.

### **Measuring NPC's Impact**

NPC continues to measure its own impact and success. Given the breadth and ambition of our mission to change the way in which money is given to charities, we need to trace our impact in a number of different ways. Clearly success should not just be measured in terms of money advised, but also by the behaviour change amongst direct and indirect audiences. For our advisory function, we report both on the amount of money advised on directly through our portfolio services, but also on the change in donor behaviour through our wider strategic work. Client feedback on the value of our work is an important part of this.

In terms of our wider advocacy role in changing the way that charities are funded, we use a number of proxy indicators, including website hits, downloads of our research, media references (both quality and quantity), as well as sourcing feedback from donors, funders and the wider sector. We also collect evidence of our non-financial impact. We conduct regular surveys of donors, funders and other stakeholders and the results are currently being evaluated. This process is being repeated at least annually to enable us to track progress.

We intend to publish this information during this current financial year, and are currently reviewing the best way to make this available without compromising client confidentiality.

### **Research**

Work on our research agenda will continue, with the following reports planned for publication in 2007/2008:

- **Autism** – The needs of children and adults with autism
- **Child abuse** – How charities help prevent and tackle abuse and its consequences
- **Child mental health** – The unmet needs of children with mental health problems and the role of charities in addressing them
- **Environment overview** – An overview of funding of environment charities in the UK and globally

- **Financial exclusion** – How charities and social enterprises address financial exclusion—including lack of access to bank accounts, loans, insurance and pensions
- **Homelessness** – Insecure, illegal or temporary housing and sleeping rough and the critical role for charities in preventing and addressing this
- **How to Fund** – Investigating how the way grants are structured (restrictions, length, size) can affect charities' outcomes
- **International** – The supply and demand side of international funding, examining existing methods of giving, testing the demand for donor advisory services and looking at options available for partnerships
- **Out of school hours** – A review of after school activities which promote academic performance and social development
- **Violence against women** – The needs of victims of domestic violence, rape, forced marriage, trafficking and other forms of violence, and the role played by charities
- **Wellbeing** – Developing and piloting a survey which charities can use to measure their impact on 11-16 year olds' wellbeing

The following reports are planned for publication by the end of 2008:

- **Advocacy and systemic change** – Approaches to achieving positive change
- **Degenerative diseases** – Examining the impact of voluntary funding on care, support, support for carers, research into the causes of medical conditions and their prevention, medical research into treatments, and lobbying government at national and local levels
- **Sport** – A research project that will draw on current and past research to investigate how charities best use sport as a medium to create social change while addressing personal, social and economic problems
- **Substance abuse** – The issues surrounding alcohol and illegal drug use and their effects on individuals, their families and society as a whole and the critical role for charities in preventing and addressing these issues
- **Young offenders** – Investigating gaps in government service provision for people under 21 who have committed crime(s) and/or exhibit anti-social behaviour, while analysing charities that identify the best ways to help young people avoid offending

NPC has developed a mechanism to provide formal feedback to all charities that we review as part of our work. This will continue to be implemented and developed throughout 2007.

NPC's current work focuses on *research* to extract information about charities' results, leading to *advice* to funders on where to target their giving. But our reach is limited by our capacity to research individual charities and to advise individual funders. To extend this reach, NPC is also building practical tools to enable charities and funders to work more effectively by measuring, analysing and reporting results to create a basis for decision-making. These tools can spread far more widely than our direct services, and be influential in the development of markets for social impact.

NPC Tools aims to be the leading provider of practical tools to help charities measure, analyse and report their social impact, and to help funders target their funding based on their defined objectives. We believe NPC Tools can help transform how charities are funded, to create much greater social impact than is possible today.

### **Advisory and Marketing**

Following the appointment of a Director of Advisory Services, James Garvin, we aim to take a more comprehensive approach to identifying and serving our clients. It is clear that the scale and reputation of our research enables us to expand our client audience. The wider Advisory team (including the Client Development, Donor Advisory and Marketing sections) will be strengthened with new recruits to replace departures and to add new capacity, bringing the team to a total of approximately 15 members.

As a result, in addition to responding to incoming enquiries and using existing contacts, we will work to divide the base of potential clients, particularly individual clients, into segments and develop more proactive marketing plans specific to each area. Past experience has demonstrated that among the most effective ways of reaching individual clients are references from intermediaries, in particular wealth managers. We will try to build a wider network of relationships with these intermediaries, taking advantage of the current trend among the clients of wealth managers to ask for advice on charitable giving.

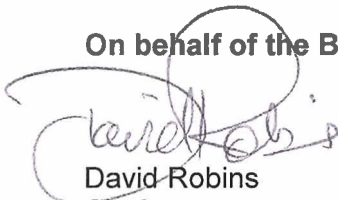
Currently, NPC advises relatively few corporate donors (as opposed to foundations and trusts) and we will attempt to increase our presence in this area. Nevertheless, we do not expect this to be a major portion of our client base in the short term.

We expect that client demand for consulting services delivered by our Donor Advisory team will continue to expand at least as fast as demand for our portfolio service. The users of this service are typically trusts and foundations. We will increase the size of this part of the team and attempt to market its services more widely.

### **General**

Additional unrestricted funding will be sought to enable the charity to develop further its research and advisory services. In addition to the specific areas mentioned above, our current plans include developing wider research and advisory services for donors interested in international development and environmental issues as well as further investment in our approach to research of large and complex charities and broader dissemination of our research findings.

**On behalf of the Board of Trustees**



David Robins  
**Chairman**

3rd March 2008

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

We have audited the group and charity financial statements (the 'financial statements') of New Philanthropy Capital for the year ended 30 June 2007 which comprise the Statement of Financial Activities, the Group and Charitable Company Balance Sheets, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The responsibilities of the charitable company's trustees, who are also the directors of New Philanthropy Capital for the purposes of company law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 6.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

### **Basis of audit opinion**

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

NEW PHILANTHROPY CAPITAL

evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 30 June 2007 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



**KPMG LLP**

Chartered Accountants

Registered Auditor

1 Forest Gate, Brighton Road

Crawley

West Sussex, RH11 9PT

20<sup>th</sup> March 2008

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating an Income and Expenditure Account)  
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from generated funds</b>					
Voluntary Income	2	883,927	-	<b>883,927</b>	874,729
Client Donations	3	-	1,034,259	<b>1,034,259</b>	492,847
Investment Income	4	15,526	-	<b>15,526</b>	35,164
<b>Incoming resources from charitable activities</b>					
Advisory Fees		412,265	-	<b>412,265</b>	156,146
Publications and Training	5	-	-	-	16,448
Grants for research projects	6	-	396,685	<b>396,685</b>	486,962
<b>Other Incoming Resources</b>	7	43,998	-	<b>43,998</b>	47,321
Total incoming resources		<u>1,355,716</u>	<u>1,430,944</u>	<u><b>2,786,660</b></u>	<u>2,109,617</u>
<b>RESOURCES EXPENDED</b>					
<b>Cost of Generating Funds</b>					
8		81,616	-	<b>81,616</b>	49,092
<b>Charitable activities</b>					
Research	9	918,593	308,016	<b>1,226,609</b>	1,006,247
Advisory	9	813,218	-	<b>813,218</b>	637,905
Grant making	10	-	1,034,259	<b>1,034,259</b>	492,847
<b>Governance costs</b>	11	20,921	-	<b>20,921</b>	19,061
Total resources expended		<u>1,834,348</u>	<u>1,342,275</u>	<u><b>3,176,623</b></u>	<u>2,205,152</u>
<b>NET (EXPENDITURE) INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS</b>					
NET (EXPENDITURE) INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS		(478,632)	88,669	<b>(389,963)</b>	(95,535)
BALANCE BROUGHT FORWARD AT 1 JULY		505,074	361,832	<b>866,906</b>	962,441
BALANCE CARRIED FORWARD AT JUNE 30		26,442	450,501	<b>476,943</b>	866,906

All of the above results are derived from continuing activities; all gains and losses recognised in the year are included above. The notes on pages 20 to 29 form part of these financial statements.

## CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007 Group £	Charity £	2006 Group £	Charity £
<b>Fixed Assets</b>	15,20	-	1	17,787	17,788
<b>Current Assets</b>					
Debtors and prepayments	16	364,638	364,638	212,020	212,020
Cash at bank and in hand	17	273,853	273,853	834,309	834,309
		<u>638,491</u>	<u>638,491</u>	<u>1,046,329</u>	<u>1,046,329</u>
<b>Creditors: amounts falling due within one year</b>	18,20	<b>(161,548)</b>	<b>(161,549)</b>	(197,210)	(197,211)
		<u>476,943</u>	<u>476,942</u>	<u>849,119</u>	<u>849,118</u>
<b>Net current assets</b>					
		<u>476,943</u>	<u>476,943</u>	<u>866,906</u>	<u>866,906</u>
<b>Net assets</b>					
<b>Funds</b>					
<b>Unrestricted funds:</b>					
General funds	19	26,442	26,442	505,074	505,074
		<u>450,501</u>	<u>450,501</u>	<u>361,832</u>	<u>361,832</u>
<b>Restricted funds</b>	19				
		<u>476,943</u>	<u>476,943</u>	<u>866,906</u>	<u>866,906</u>
<b>Total funds</b>					

The notes on pages 20 to 29 form part of these financial statements.

The financial statements were approved by the Trustees on 3<sup>rd</sup> March 2008 and signed on their behalf by:



David A Robins  
Chairman

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007**

**1 Accounting policies**

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

(a) Basis of preparation

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

The charity has availed itself of paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

(b) Company status

The financial statements comply with generally accepted accounting principles in accordance with the Financial Reporting Standard for Smaller Entities.

The company has taken advantage of the exemption in the Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(c) Incoming resources

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

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis of the headcount and/or time spent, consistent with use of resources.

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

Irrecoverable VAT is included in the relevant expense categories.

(e) 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

## NEW PHILANTHROPY CAPITAL

Office Equipment over 5 years

- (f) Fund accounting  
Funds held by the charity are either:

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

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

- (g) Pension  
The charity operates a defined contribution pension scheme through *The Pensions Trust* for all employees completing six months' service. Membership of the scheme is not compulsory. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.
- (h) Leases  
Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.
- (i) Taxation  
The charity is exempt from taxation on its charitable activities.

## 2 Voluntary Income

	Unrestricted £	Restricted £	2007 Total £	2006 £
Donations from or on behalf of Trustees	863,327	-	<b>863,327</b>	873,729
Other donations	20,600	-	<b>20,600</b>	1,000
<b>Total</b>	<b>883,927</b>	<b>-</b>	<b>883,927</b>	<b>874,729</b>

## 3 Client donations

Client donations comprise amounts received under Gift Aid where the Trustees allow the donors to express preferences as to which charities recommended by NPC receive the grants (see note 10).

## 4 Investment income

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

## 5 Publications & Training

	2007 £	2006 £
Sale of Publications	-	14,091
Training Course Fees	-	2,169
Other	-	188

<b>Total</b>		-	16,448
<b>6</b>	<b>Grants for Research Projects</b>	<b>2007</b>	2006
		£	£
		<b>Restricted</b>	Restricted
	<i>Refugees &amp; Asylum Seekers</i>		
	The City Parochial Foundation	-	20,000
	The Esmée Fairbairn Foundation	-	25,000
	<i>Advocacy and Systemic Change</i>		
	Diana, Princess of Wales Memorial Fund	-	20,000
	The Esmée Fairbairn Foundation	<b>35,000</b>	-
	Comic Relief	<b>25,000</b>	-
	<i>Autism</i>		
	Garfield Weston Foundation	-	12,500
	The Oyster Foundation	-	5,000
	The Shirley Foundation	-	10,000
	Confidential Donors	-	25,641
	The Mercers' Company	-	3,000
	Lloyds TSB Foundation for Scotland	-	12,000
	<i>Out of hours school-based projects for 11-16 year olds</i>		
	Garfield Weston Foundation	-	12,500
	Lloyds TSB Foundation for Scotland	-	12,000
	The Esmée Fairbairn Foundation	-	20,000
	<i>Child Abuse</i>		
	Confidential Donor	-	41,500
	Lloyds TSB Foundation for Scotland	-	12,000
	<i>Violence against Women</i>		
	The Mercers' Company	-	7,000
	The Staples Trust	-	10,000
	Lloyds TSB Foundation for Scotland	-	2,000
	The Northern Rock Foundation	-	25,000
	The Henry Smith Charity	-	20,000
	Barclays	<b>12,000</b>	-
	<i>Environment</i>		
	Confidential Donors	-	17,821
	The Wetlands Trust	-	25,000
	The Ashden Trust	-	5,000
	APL Conservation Foundation	-	10,000
	The Tubney Charitable Trust	-	10,000
	The Esmée Fairbairn Foundation	-	10,000
	<i>Homelessness</i>		
	Deutsche Bank AG London	-	19,000
	Lloyds TSB Foundation for Scotland	-	22,000
	Confidential donor	<b>25,000</b>	-
	<i>Financial Exclusion</i>		
	Friends Provident	<b>25,000</b>	-
	Resolution Trust	<b>25,000</b>	-
	<i>Disabled Children</i>		
	True Colours	<b>30,000</b>	-
	<i>Child Mental Health</i>		
	Paul Hamlyn	<b>25,000</b>	-
	The Waterside Trust	<b>30,000</b>	-
	Confidential Donor	<b>15,000</b>	-

**6 Research Grants(continued)**

	<b>2007 Restricted</b>	2006 Restricted
<i>International Feasibility Study</i>		
Confidential Donors	<b>85,000</b>	-
<i>Monitoring and Evaluation</i>		
Big Lottery Fund Scotland	<b>48,285</b>	-
<i>The Value of Mentoring</i>		
Pears Family Charitable Foundation	-	10,000
<i>International Grant Making</i>		
The Nuffield Foundation	<b>1,400</b>	15,000
<i>Charity Mutual Funds Pilot</i>		
Charities Aid Foundation		18,000
<i>Home Office Active Communities Directorate</i>		
Invest to Give Fund	-	30,000
<i>How to Fund</i>		
The Big Lottery Fund	<b>15,000</b>	-
<b>Total Research Projects</b>	<b>396,685</b>	486,962

**7 Other Incoming Resources**

	<b>2007 £</b>	2006 £
Rental Income	<b>40,308</b>	47,321
Other Income	<b>3,690</b>	-
<b>Total</b>	<b>43,998</b>	47,321

**8 Costs of fundraising**

	<b>2007 £</b>	2006 £
Staff Costs	<b>60,387</b>	35,571
Publicity & Promotion Costs	<b>5,003</b>	4,510
Other Costs	<b>16,226</b>	9,011
<b>Total</b>	<b>81,616</b>	49,092

**9 Costs of charitable activities**

	Research £	Advisory £	2007 Total £	2006 Total £
Staff Costs	850,670	561,850	<b>1,412,520</b>	1,166,212
Travel & Subsistence	27,525	13,316	<b>40,841</b>	36,491
Recruitment, Training & Development	26,548	48,275	<b>74,823</b>	26,276
Consulting Fees	45,233	22,281	<b>67,514</b>	28,633
Publications, Data Services & Training	17,851	2,118	<b>19,969</b>	13,950
Printing & Distribution	18,444	634	<b>19,078</b>	50,872
Premises	125,179	78,648	<b>203,827</b>	172,626
IT, Telecoms & Equipment	22,259	14,057	<b>36,316</b>	22,594
Legal Costs	1,980	1,244	<b>3,224</b>	2,834
Marketing & PR	47,287	42,559	<b>89,846</b>	73,172
Accounting and Payroll Services	4,558	2,864	<b>7,422</b>	6,940
Unrecovered VAT	15,892	9,985	<b>25,877</b>	17,627
Insurance	1,965	1,234	<b>3,199</b>	2,370
Depreciation	12,907	8,109	<b>21,016</b>	9,718
Office Expenses & Other	8,311	6,044	<b>14,355</b>	13,097
Trustees' reimbursed expenses	-	-	-	740
<b>Total Costs</b>	<b>1,226,609</b>	<b>813,218</b>	<b>2,039,827</b>	<b>1,644,152</b>

**10 Grant Making**

Grants made during the year were in accordance with preferences stated by donor clients and were at the discretion of NPC's Trustees (see note 3).

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

	2007 £ Restricted	2006 £ Restricted
<b>UK</b>		
Chance UK	<b>73,293</b>	42,973
Beatbullying	<b>64,102</b>	-
Fare	<b>52,051</b>	-
Rainbow Trust	<b>45,614</b>	-
Inaura	<b>39,000</b>	-
Shared Care Network	<b>38,462</b>	-
Friends of the Earth	<b>33,000</b>	-
Place2Be	<b>32,820</b>	-
Centre 88	<b>28,557</b>	-
Family Welfare Association	<b>26,858</b>	-
Children's Trust	<b>25,641</b>	-
Cleo	<b>25,000</b>	-
Search Project	<b>24,000</b>	24,000
South Tyneside Arts Studio	<b>24,000</b>	24,000
Maytree	<b>22,000</b>	-
Advance	<b>20,000</b>	-
Clean Break	<b>20,000</b>	30,000
Contact a Family	<b>20,000</b>	-
First Step Trust	<b>20,000</b>	-
Revolving Doors	<b>20,000</b>	35,000
Salisbury World	<b>20,000</b>	-

<b>Grant Making (continued)</b>	<b>2007</b>	2006
	<b>Restricted</b>	Restricted
Shannon Trust	<b>20,000</b>	-
Retas	-	32,313
Circles Network	-	30,000
Friends United Network	-	30,000
Learning Challenge	-	30,000
Shine Trust	-	27,175
Halt	-	35,000
<b>International</b>		
Heal Africa	<b>20,000</b>	-
South Coast Hospice	-	52,846
	<b>714,398</b>	393,307
Grants of less than £20,000	<b>319,861</b>	99,540
<b>Total Grants</b>	<b>1,034,259</b>	492,847

## 11 Governance Costs

	<b>2007</b>	2006
	<b>£</b>	£
Staff Costs	<b>9,079</b>	9,243
Recruitment, Training and Development	<b>131</b>	237
Consulting Fees	<b>107</b>	-
Premises, IT, Telecoms & Equipment	<b>1,109</b>	1,275
Audit Fees	<b>8,075</b>	5,950
Trustees Indemnity Insurance	<b>1,260</b>	1,342
Legal Costs	<b>15</b>	82
Trustees' reimbursed expenses	<b>591</b>	-
Other Costs	<b>554</b>	932
<b>Total</b>	<b>20,921</b>	19,061

## 12 Trustees Remuneration

The Trustees neither received nor waived any emoluments during the year (2006 - £ nil)  
One Trustee received reimbursement of expenses for hosting or attending meetings amounting to £591(2006 - £740).

**13 Staff Costs**

	<b>2007</b>	2006
	£	£
Wages and salaries	<b>1,284,249</b>	1,039,047
Social security costs	<b>138,581</b>	116,591
Pension costs	<b>59,156</b>	55,388
	<hr/>	<hr/>
<b>TOTAL</b>	<b>1,481,986</b>	1,211,026
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2007</b>	2006
	No.	No.
£60,001 - £70,000	<b>2</b>	3
£70,001 - £80,000	<b>1</b>	1
£80,001 - £90,000	<b>1</b>	-

The company made contributions totalling £18,570 during the year to a defined contribution pension scheme with respect to these employees (2006 - £17,690).

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

	<b>2007</b>	2006
	No.	No.
Research	<b>14</b>	14
Advisory	<b>9</b>	7
Marketing	<b>4</b>	4
Management & Governance	<b>3</b>	3
	<hr/>	<hr/>
<b>TOTAL</b>	<b>30</b>	28
	<hr/> <hr/>	<hr/> <hr/>

**14 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 £54,142 (2006 - £55,388). At June 30, 2007, contributions amounting to £7,442 (2006 - £6,780) were payable to the scheme and are included in creditors.

**15 Tangible Fixed Assets**

The company capitalises fixed assets with a purchase price of more than £5,000. In the year to June 30, 2007 fixed assets previously capitalised with a purchase price of less than £5,000 were fully depreciated requiring an additional depreciation charge of £8,020.

<b>Group and Charity</b>	<b>Computer Equipment £</b>	<b>Fixtures and Fittings £</b>	<b>TOTAL £</b>
<b>Cost</b>			
At 1 July 2006	<b>51,156</b>	<b>7,370</b>	<b>58,526</b>
Disposals	(2,868)	-	(2,868)
At 30 June 2007	<b>48,288</b>	<b>7,370</b>	<b>55,658</b>
<b>Depreciation</b>			
At 1 July 2006	<b>38,405</b>	<b>2,334</b>	<b>40,739</b>
Charge in the period	12,213	5,036	17,249
Disposals	(2,330)	-	(2,330)
At 30 June 2007	<b>48,288</b>	<b>7,370</b>	<b>55,658</b>
<b>Net Book Value</b>			
At 1 July 2006	<b>12,751</b>	<b>5,036</b>	<b>17,787</b>
At 30 June 2007	-	-	-

All assets are held for use by the charity.

The charity has a £1 investment in the trading subsidiary.

**16 Debtors and Prepayments  
Group and Charity**

	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	54,127	59,599
Premises rent deposit	59,478	53,815
Prepayments	19,499	21,106
Grant income receivable	224,910	77,500
Other Debtors	6,624	-
	<b>364,638</b>	<b>212,020</b>

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

	<b>2007 £</b>	<b>2006 £</b>
Cash and Bank deposit accounts	268,064	254,449
Managed cash fund	5,789	579,860
	<b>273,853</b>	<b>834,309</b>

**18 Creditors: amounts falling due within one year  
Group and Charity**

	<b>2007</b>	2006
	<b>£</b>	<b>£</b>
Trade creditors	38,620	66,628
Taxation and social security	38,954	38,272
Pensions	7,442	7,124
Donor client donations payable	36,577	50,021
Other creditors	27,291	24,291
Accruals	12,664	10,874
	<b>161,548</b>	<b>197,210</b>

**19 Analysis of group net assets between funds  
Group and Charity**

	<b>Restricted Funds</b>	<b>General Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fund balances at 30 June 2007 are represented by:</b>			
Current assets	450,501	187,990	638,491
Current liabilities	-	(161,548)	(161,548)
<b>Total Net Assets</b>	<b>450,501</b>	<b>26,442</b>	<b>476,943</b>

**20 Subsidiary Company**

The charity owns the whole of the issued ordinary share capital of NPC Trading Ltd (Registered company number 4419576), which was incorporated and registered in England on 18 April, 2003. The purpose of the subsidiary is to carry on business as a general commercial company to procure profits and gains for the purpose of paying them to New Philanthropy Capital (Registered company number 4244715) or any other charitable body which succeeds to its charitable purpose. The company was dormant throughout the year.

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

	<b>2007</b>	2006
	<b>£</b>	<b>£</b>
Assets	1	1
Liabilities	0	0
Funds (represented by one share of £1)	1	1

The charity's investment of £1 (2006 - £1) in NPC Trading Ltd is reflected as a fixed asset in the balance sheet of the charity with an equivalent amount shown in creditors.

**21 Contingent Liabilities**

There were no contingent liabilities at 30 June 2007 (2006 - None).

**22 Commitments**

	<b>2007</b>	2006
	£	£
<b>Annual Commitments under non-cancellable operating leases are as follows:</b>		
Within one year	<b>18,241</b>	43,160
In two to five years	-	18,241

**23 Related Parties**

During the year, the company provided advisory services on a normal commercial basis to two Trustees in relation to their charitable giving. Advisory fees totalling £9,170 (2006 - £10,500) were charged for these services.