

REGISTRAR OF COMPANIES



NPT (UK) Limited

Annual report and accounts

30 June 2017

Company Registration Number
08612103 (England and Wales)

Charity Registration Number
1153376

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Contacts, officials and advisors

Chair	Eileen R. Heisman
Trustees	Eileen R. Heisman Claire Brown Ceris Gardner Charles Lubar Iain Younger
Chief Executive Officer	John Canady
Company Number (England and Wales)	08612103
Charity Registration Number (England and Wales)	1153376
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	JP Morgan Chase Bank 25 Bank Street London E14 5JP UBS 3 Finsbury Avenue London EC2M 2AN
Investment managers	UBS 3 Finsbury Avenue London EC2M 2AN

Contacts, officials and advisors

Solicitors	Withers LLP 16 Old Bailey London EC4M 7EG
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Registered address	16 Old Bailey London EC4M 7EG
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I am pleased to update you on NPT (UK) Limited's activities. NPT (UK) Limited (referred to as NPT (UK)) is a UK registered charity that was founded in 2013 in response to growing demand for donor-advised fund giving vehicles. NPT (UK) is committed to increasing philanthropy in society by helping donors manage their charitable giving with maximum convenience and tax efficiency. As a UK/US dual-qualified charity, contributions to NPT (UK) are recognised for tax-advantaged treatment in both countries.

In fiscal year 2016/17, NPT (UK) reached new milestones:

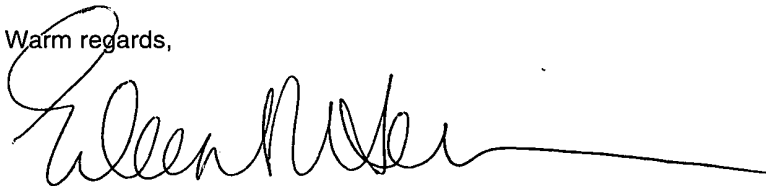
- We continued to welcome new donors seeking donor-advised funds and other giving vehicles as effective means to meeting their philanthropic goals. The number of donor-advised fund accounts at NPT (UK) increased 192% from the prior year.
- Our donors—both new and existing—are comprised of individuals, families, foundations, and fellow charities. Because of their collective generosity, NPT (UK) granted approximately £4.4 million this fiscal year.
- We now manage in excess of £20.0 million of funds, an increase of over 400% from the prior year, all of which will support qualified charities in the UK, US and around the world.

Current events during this period—the after-effects of the “Brexit” vote, the US election, the ongoing Syrian refugee crisis—marked a time of economic volatility and impassioned personal beliefs. As always, NPT (UK) aimed to support the philanthropic interests of individuals and organisations in pursuing the most efficient way to achieve maximum charitable impact.

We pride ourselves on exemplary service to our NPT (UK) donors. From processing each incoming asset to sending out a meaningful grant, we support our donors and their charitable goals. Together, we are having a tremendous impact.

It is an honour to serve as the NPT (UK) board chair.

Warm regards,

A handwritten signature in black ink, appearing to read 'Eileen R. Heisman', followed by a long horizontal line extending to the right.

Eileen R. Heisman

Chair, NPT (UK) Trustees

Trustees' report 30 June 2017

The Trustees (who are also the directors for purposes of Company Law) present their statutory report with the financial statements of NPT (UK) for the year ended 30 June 2017. The report has been prepared in compliance with Part 8 of the Charities Act 2011 and also fulfils the requirements of a directors' report in the Companies Act 2006. The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 21 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and regulations and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102) effective for accounting periods commencing 1 January 2015 or later.

Mission and historical background

NPT (UK)'s mission is to inspire, support and increase charitable giving in society, primarily through charitable donor-advised funds (DAFs) which benefit charities and voluntary organisations in the UK and internationally.

In addition to offering DAFs, we provide a number of other philanthropic services to further our mission, such as restricted donations. This giving vehicle is established by NPT (UK) to allow donors to use NPT (UK) as a tax efficient intermediary when making donations to specific charities. 'American Friends of' organisations are one type of organisation whose donors can benefit from this service.

NPT (UK) was established as a registered charity in England and Wales in 2013 by the National Philanthropic Trust, a charitable 501(c)(3) organisation in the United States (US), in response to growing international interest in DAFs. DAFs are a significant and popular form of giving in the US and exist in the UK and many other countries around the world.

As a "dual-qualified" entity, NPT (UK) is able to ensure that charitable contributions from dual US-UK taxpayers are recognised for tax-advantaged treatment in both countries.

NPT (UK) aims to deliver on its mission in a number of areas:

- ◆ Research and promote DAFs as a cost effective vehicle for giving;
- ◆ Support a broad range of donors: corporate, individual and charitable - through the establishment of DAF accounts;
- ◆ Provide grantmaking advice, expertise and support to donors;
- ◆ Maximise donations through gift aid recovery and use of government incentives in the US and UK for charitable contributions; and
- ◆ Optimise funds for grant making through the prudent investment and stewardship of charitable contributions.

For more information on DAFs and dual-qualified charities see our website at www.NPT-UK.org.

Governing document

The charity is controlled by its governing document, the Memorandum and Articles of Association, and constituted as a company limited by shares as defined by the Companies Act 2006.

The charity is wholly owned by National Philanthropic Trust, a US charitable 501(c)(3) organisation.

Measuring impact and public benefit

As a fundraising and grantmaking charity, providing public benefit is at the heart of the charity's activity. NPT (UK) seeks to advance philanthropy in society, primarily through the provision of charitable DAFs.

Donors to NPT (UK) can recommend or request grants be made from a DAF to support organisations of their choice, provided that such organisations pursue charitable purposes as the term is defined under UK law.

The Trustees seek to satisfy themselves that each grant made from a DAF is made in furtherance of a charitable purpose and offers an identifiable benefit to the public or a significant section of the public and that any private benefit that may arise to any person or company as a result is incidental.

Charitable objectives

The charitable objectives are to increase the amounts available for charitable purposes by:

- encouraging giving
- facilitating efficient collection, investment and distribution of funds to minimise overheads
- maximising eligibility for tax relief to increase the benefit to charitable purposes in proportion to the cost
- applying those funds raised in support of such exclusively charitable purposes as the Trustees shall from time to time determine.

Achievements and strategic goals

Contributions

Our donors contributed £19,261,841 in fiscal year 2016/17 (2015/16 - £6,719,896) to NPT (UK)'s DAFs and other philanthropic giving vehicles. Wire transfers are the most common method of making contributions. We have also accepted appreciated securities and limited partnership interests as contributions. These contributions are turned into philanthropic capital for the causes and charities closest to our donors' hearts.

Investments

NPT (UK)'s assets under management have grown as donors make contributions to their DAFs. NPT (UK) donors can indicate an investment preference, with reference to preapproved investments and separately managed accounts, in an effort to increase the amounts available for grants. Investment performance was positive for fiscal year 2016/17, reporting gains of £262,470. NPT (UK)'s Trustees carefully review any new investments and also monitor the investment performance on an on-going basis.

Grantmaking

NPT (UK)'s donors recommended 184 grants totalling £4,426,757 in fiscal year 2016/17 (2015/16 - £3,352,303). NPT (UK)'s staff assisted our donors with varying steps in the grantmaking process, from answering basic questions about philanthropy to creating complex grant agreements. Our team has substantial knowledge about philanthropy, DAFs and industry "best practices" that support our donors. We work to ensure our donors are able to achieve their philanthropic goals.

Plans for future periods

We will continue to promote philanthropy in society by working with donors to help them effectively manage their charitable giving. In addition to raising awareness of DAFs with donors, we will also partner with their advisors - wealth managers, tax advisors, solicitors, and estate planners - to ensure advisors are aware of the benefits of incorporating philanthropy and DAFs into their client discussions. Our efforts to be a partner in giving are all focused on increasing charitable giving in the UK and beyond.

Grantmaking priorities and exclusions

The Trustees will regularly review NPT (UK)'s policies, objectives and guidelines to ensure that grants made are in support of exclusively charitable purposes and for public benefit. As such, grants cannot be paid to:

- ◆ Activities which are not exclusively charitable
- ◆ Individuals
- ◆ Private foundations (as defined by US law)
- ◆ Satisfy a pre-existing pledge which the donor has already committed to the recipient charity
- ◆ Satisfy any private benefit (e.g. tuition fees, dues, membership fees, benefit tickets, or goods bought at charitable auction)
- ◆ Satisfy any political contributions or to support campaign activities

Trustees' report 30 June 2017

Charities are notified electronically of grants awarded and most grant payments are made electronically. Grant recipients may or may not provide regular or one-off progress reports, depending on the nature of the project, the term of the grant and the size of the grant awarded.

When formal monitoring is required, the process aims to be unobtrusive since some charities can struggle under the burden of monitoring requirements. Grant recipients submit information on a NPT (UK) form that is provided, or similar report that has been prepared for another funder, as many of the grants are contributions to projects also supported by one or several other donors.

Trustees

Recruitment and appointment of new Trustees

At any one time the charity has between four and six Trustees who meet in person and by teleconference a minimum of three times every year and as required. The identification of potential new Trustees is carried out by the Board, the aim being to appoint those with the appropriate expertise and experience for NPT (UK)'s work.

On agreeing to become a Trustee of the charity, new members are thoroughly briefed by their co-Trustees on the history of the charity, day-to-day management, responsibilities of the Trustees, current objectives and future plans. The Trustees are also encouraged to attend training and update courses.

Register of Trustees' interests

In accordance with Company Law, accounting standards, and the Charity Commission guidance that charity Trustees and key management who may have a personal interest in any matter before the Trustees should declare that interest and refrain from taking part in any discussion relating to it, a 'Register of Trustees' Interests' is maintained and updated annually.

Trustees are required to disclose all relevant interests and register them with the Chief Executive Officer, and in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

Governance

Organisational structure

The Trustees are ultimately responsible for the policies, activities and assets of the charity. They meet a minimum of three times annually to review developments with regard to the charity and its grantmaking and investment activities, and to make any important decisions. When necessary, the Trustees seek advice and support from the charity's professional advisers.

Key management personnel

The key management personnel are considered to be the Trustees and the CEO. The Trustees set the pay of the CEO. The Trustees are not remunerated for their roles.

Administration

NPT (UK) seeks to build efficient and effective administrative systems, whilst recognising the effectiveness of working in partnership with other organisations. To this end, administration, management information systems, payroll and technology functions of the charity are provided to NPT (UK) by two organisations: Buzzacott LLP of the UK and National Philanthropic Trust of the US. Both arrangements are governed by Service Level Agreements which also make provisions for data protection and confidentiality/privacy requirements.

Investment management

The Trustees of NPT (UK) are responsible for the management of all funds maintained by NPT (UK) and funds shall be managed in accordance with the principles and standards of prudence applicable under English law. Under its Memorandum and Articles of Association, NPT (UK) has the power to invest funds that are not immediately required for charitable purposes. NPT (UK)'s investment policy is to hold a diversified global portfolio of investments across a range of asset classes. The portfolio is managed by nominated companies. NPT (UK) seeks to balance risk, return and spend so as to observe proper balance between the need to meet present demands on the charity and the need to allow for future charitable objectives.

Financial review

Income for the 2016/17 fiscal year was £19,656,798 (2015/16 - £7,295,474). Expenditure for the year was £4,999,033 (2015/16 - £3,764,252). As a result, for the year ended 30 June 2017, there was a surplus (after exchange and investment losses of £148,600 (2015/16 exchange and investment gains - £273,426)) of £14,509,165 (2015/16 - £3,804,648). Funds at the end of the year comprised £20,092,153 (2015/16 - £5,582,988) of unrestricted funds.

Reserves policy

NPT (UK)'s reserve policy is to maintain, ideally, a level equivalent to between three and six months' general operating expenditure. Unrestricted operating funds are those funds which are not restricted and not represented by DAFs. At 30 June 2017, these funds were £248,456, representing 5.5 months of operating expenditure, and in line with the stated policy.

The Trustees consider that reserves at this level will ensure that, in the event of a drop in funding, they will be able to continue the charity's current activities for a period of time that allows for sufficient consideration to be given to ways in which additional funds may be raised.

Internal control – risk management

In line with the requirement for Trustees to undertake a risk assessment exercise and report on the same in their annual report, the Trustees initiated a process to assess organisational risk. The Trustees have identified five main areas where risk may occur:

- ◆ Governance and management
- ◆ Operational
- ◆ Financial
- ◆ Reputational
- ◆ Laws, regulations, external and environmental

Governance and management risks include those the charity might suffer from lack of direction, skills and training of the Trustees and good use of its funds.

Operational risks include those inherent in the charity's activities including supporting unsuitable appeals from charities, continuity of staff, lack of a disaster recovery policy, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, inaccurate accounting, and inappropriate investment policies.

Reputational risks include the possible damage to the charity's reputation, through association with unsuitable charities, or with inappropriate investment activity.

Laws, regulations, external and environmental risks include the effects of government policies, potential adverse changes in these policies and the consequences of non-compliance with applicable laws and regulations.

Having assessed the major risks to which the charity is exposed, in particular to its finances, the Trustees believe that by monitoring reserve levels, by ensuring that controls exist over the key financial systems, and by examining the operational and business risks faced by the charity, effective systems are in place to mitigate those risks. The charity maintains an up-to-date risk register in order to identify and establish effective systems to mitigate those risks.

The Charity's risk register is a live document that will change over time as different risks are identified and other risks are downgraded or removed. The risks at any one time are graded depending on their perceived likelihood and impact. Assessments are also made as to whether the risks are increasing, decreasing or remaining stable and the action plans, responsibilities and timeframes for their implementation are also reviewed regularly by Trustees during the year. There are generic risks of running any charitable or business undertaking. The most significant risks identified for NPT (UK) relate to:

- ◆ Loss of key staff
- ◆ Disaster recovery and planning, including cyber breaches
- ◆ Investment policies

The following paragraphs set out the identified key risks and the controls that NPT (UK) have put in place to mitigate them.

Loss of key staff could have a significant impact on the organisation as this may result in the loss of specific skills, experience and contacts. There may also be a temporary but significant impact on on-going key projects. NPT (UK) has moved to mitigate this risk by comprehensively documenting key systems, plans and projects, and by establishing agreed notice periods and ensuring that where necessary, transitions take place within that time.

Disaster recovery and planning refers to the significant impact that a major unpredictable disaster could have, such as failures in IT systems or physical damage to property and equipment by way of fire, flood or other natural forces. These risks cannot be predicted, but can be prepared for, and NPT (UK) does so through the creation and review of IT and disaster recovery plans; implementing digital and physical security measures; and obtaining appropriate insurance cover.

Investment policies are critical to ensure NPT (UK) attains a level of return that at least preserves the long-term real value of its assets while providing funds to meet NPT (UK)'s spending requirements. To mitigate this risk, the organisation has an approved investment policy and regularly monitors the performance of investments, obtaining expert advice when required.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of NPT (UK) for the purposes of company law) are responsible for preparing the Report of the Trustees 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 income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective for accounting periods commencing 1 January 2015 or later;
- ◆ make judgments 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 charitable 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 charitable company and to 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.

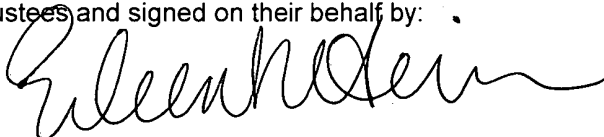
Each of the Trustees confirm that:

- ◆ in so far as the Trustee is aware there is no relevant audit information of which the charitable company's auditor is unaware of; and
- ◆ the Trustee has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

Eileen R. Heisman
Chair



Date: 5th October 2017

Independent auditor's report Year to 30 June 2017

Independent auditor's report to the members of NPT (UK) Limited

Opinion

We have audited the financial statements of NPT (UK) Limited (the 'charitable company') for the year ended 30 June 2017 which comprise the statement of financial activities, the balance sheet, the 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).

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.

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 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the 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 charitable company 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.

Independent auditor's report Year to 30 June 2017

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 annual report other than the financial statements and our auditor's report thereon. 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.

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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Independent auditor's report Year to 30 June 2017

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' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 auditor's report Year to 30 June 2017

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.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

18/10/17

Statement of financial activities Year to 30 June 2017

	Notes	2017 Unrestricted Operating Funds £	2017 Unrestricted DAF Funds £	2017 Restricted DF Funds £	2017 Total Funds £	2016 Total Funds £
Income from:						
Donations						
Voluntary donations	1	271,574	—	—	271,574	558,454
Donations to giving funds	2	—	18,042,841	1,219,000	19,261,841	6,719,896
Investments	3	56	123,227	—	123,283	8,538
Other income		100	—	—	100	8,586
Total income		271,730	18,166,068	1,219,000	19,656,798	7,295,474
Expenditure on:						
Raising funds	4	324,359	27,198	—	351,557	227,801
Charitable activities	4	220,719	3,213,125	1,213,632	4,647,476	3,536,451
Total expenditure	4	545,078	3,240,323	1,213,632	4,999,033	3,764,252
Realised and unrealised gains on investment assets		—	139,187	—	139,187	9,728
Net(expenditure)/income		(273,348)	15,064,932	5,368	14,796,952	3,540,950
Other recognised (losses)/gains						
Realised and unrealised exchange (losses)/gains		(5,105)	(277,314)	(5,368)	(287,787)	263,698
Net movement in funds	5	(278,453)	14,787,618	—	14,509,165	3,804,648
Reconciliation of funds						
Total funds brought forward		526,908	5,056,079	—	5,582,987	1,778,339
Share capital	1	—	—	—	1	1
Total funds carried forward		248,456	19,843,697	—	20,092,153	5,582,988

All the charity's activities in the above financial periods were derived from continuing operations.

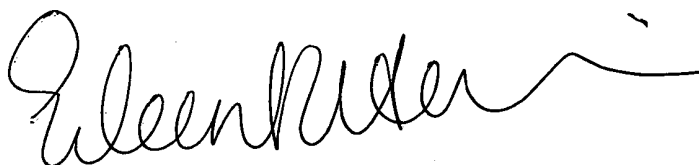
There were no recognised gains or losses other than those set out in the statement of financial activities.

Balance sheet 30 June 2017

	Notes	2017 Unrestricted Operating Funds £	2017 Unrestricted DAF Funds £	2017 Restricted DF Funds £	2017 Total Funds £	2016 Total Funds £
Fixed assets						
Tangible assets	11	3,241	—	—	3,241	129
Investments	12	236,295	12,809,629	—	13,045,924	3,887,913
		239,536	12,809,629	—	13,049,165	3,888,042
Current assets						
Debtors	13	21,188	7,996	—	29,184	26,896
Cash at bank and in hand		53,446	7,228,011	—	7,281,457	1,715,286
		74,634	7,236,007	—	7,310,641	1,742,182
Current liabilities						
Creditors: amounts falling due within one year	14	(65,714)	(201,939)	—	(267,653)	(47,236)
Net current assets (liabilities)		8,920	7,034,068	—	7,042,988	1,694,946
Total net assets		248,456	19,843,697	—	20,092,153	5,582,988
Represented by the funds of the charity:						
Share capital		1	—	—	1	1
Unrestricted operating funds	15	248,455	—	—	248,455	526,908
Unrestricted DAF funds	15	—	19,843,697	—	19,843,697	5,056,079
Total funds		248,456	19,843,697	—	20,092,153	5,582,988

These accounts were authorised and approved by the Trustees and signed on their behalf by: Eileen R. Heisman, Chair

Trustee:



Approved on: 5th October 2017

Statement of cash flows 30 June 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	14,464,952	3,454,084
Cash flows from investing activities:			
Dividends and interest from investments		123,283	8,538
Proceeds from sale of investments		3,006,325	4,916,067
Purchase of investments		(12,592,015)	(6,473,825)
Net cash used by investing activities		(9,462,407)	(1,549,220)
Change in cash and cash equivalents in the period		5,002,545	1,904,864
Cash and cash equivalents at the beginning of the reporting period	B	1,715,286	99,066
Change in cash and cash equivalents due to exchange rate movements	B	563,626	(288,644)
Cash and cash equivalents at the end of the reporting period		7,281,457	1,715,286

A. Reconciliation of net income to net cash used in operating activities

	2017 £	2016 £
Net income per the statement of financial activities	14,509,165	3,804,648
Adjustments for:		
Realised and unrealised (gains) on investments	(139,187)	(9,728)
Depreciation charges	128	220
Dividends and interest from investments	(123,283)	(8,538)
(Increase)/decrease in debtors	(2,288)	162
Increase/(decrease) in creditors	220,417	(332,680)
Net cash provided by operating activities	14,464,952	3,454,084

B. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	7,281,457	1,715,286
Cash held by investment managers	—	—
Total cash and cash equivalents	7,281,457	1,715,286

Principal accounting policies 30 June 2017

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are described below.

Basis of preparation

The accounts have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts 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) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Status

The charity is a company (registration number 08612103) and is constituted under its Memorandum and Articles of Association. It has also been granted charitable status by the Charity Commission (Charity Registration Number 1153376).

Critical accounting estimates and areas of judgement

The most significant areas of judgement and key assumptions that affect items in the accounts are in respect to the allocation of support costs between activities and the value of unlisted investments. Unlisted investments are recorded at estimated fair value in the absence of readily determined fair values. Management's estimates are established on the basis of valuations provided by the associated entities and are believed to be a reliable best estimate of fair value. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of fundraising achievable, the investment return and the performance of the investment market generally.

Assessment of going concern

The members of the Board have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The members of the Board have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Principal accounting policies 30 June 2017

The members of the Board have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. This is because the level of reserves is sufficient to cover both the grants anticipated to be made and the running costs of the charity for at least the next year. Additionally, the new strategy document plans for growth and this is to be closely monitored.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the funds will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or when the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends earned on fixed asset investments are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on cash deposits is recognised as it is earned.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses are allocated or apportioned to the applicable expenditure headings.

Resources expended comprise the following:

- a. Expenditure on raising funds comprise the costs associated with generating donations, fundraising costs and the fees paid to investment managers in connection with the management of the charity's investments. It includes costs that can be allocated directly to such activities and those indirect costs necessary to support them (see c. below).
- b. Expenditure on charitable activities comprise grants and costs of raising awareness of the charity's work and its methods. Grants are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the fiscal year are expensed and disclosed as payable. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

Principal accounting policies 30 June 2017

It includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them (see c. below).

- c. Support costs are those costs which enable fund generating and charitable activities to be carried out. These costs include personnel, finance, provision of office services and equipment and a suitable working environment. Support costs are allocated on the basis of time spent on these activities.

Fixed Assets

Fixed assets costing over £1,000 are capitalised and recorded at cost, or in cases where fixed assets have been donated to the charity, at the valuation at the time of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment: 33.33% p.a. on a straight line basis

Investments

In recognising basic financial instruments, the charity has elected to apply the provisions of FRS 102, section 11. Listed investments (with the exception of FX products and derivatives, which form an immaterial part of investments held and are therefore treated the same) are a form of basic financial instrument and are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price.

Money market time deposits are fixed term cash deposits designed to provide a higher rate of return, but cannot be freely accessed before maturity. They are valued based on the amount of cash invested.

The main form of financial risk faced by the charity is that of volatility in equity and other investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Where significant reserves are held as cash, the charity faces the risk that such funds lose value in real-terms, due to low interest rates.

Realised gains (or losses) in investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Principal accounting policies 30 June 2017

Unlisted investments are valued at the best estimate of fair value as follows:

Private equity investments are held through funds managed by private equity groups. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations from the private equity groups where:

- i. the private equity group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines (IPEV), December 2015 edition; or
- ii. the private equity group provides valuations that comply with FRS 102 or UK GAAP.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Judgement has been applied in whether certain funds held by NPT (UK) should be classified as restricted funds or unrestricted funds.

Principal accounting policies 30 June 2017

Trustees consider that funds held by NPT (UK) in donor-advised funds pending recommendation for onward distribution to third party charities are classified as unrestricted. However, the Trustees note the following:

- There is an expectation from the donor that these funds will be used in line with their recommendations.
- In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution and associated administrative costs.

In relation to restricted funds, the Trustees cannot use such funds at their discretion, but must use them for the specific purposes which were the subject of restrictions imposed by the donors at the time of contribution.

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rates of exchange during the year. Exchange differences are taken into account in arriving at the operating results.

Taxation

NPT (UK) Limited is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives. Accordingly, no provision for current or deferred taxation is considered necessary.

Value Added Tax

Value Added Tax is not recoverable by the charity and as such is included in the relevant costs in the statement of financial activities.

Pension costs

Contributions by the charity in respect of its employees' personal pension plans and workplace pension schemes are charged to the statement of financial activities in the year in which they are earned by those employees.

Notes to the financial statements 30 June 2017

1 Voluntary donations

	2017 £	2016 £
Donations from NPT (US)	271,574	558,454

Voluntary income was wholly unrestricted in 2016/17 and 2015/16.

2 Donations to giving funds

	2017 £	2016 £
Monies received for disbursement to charities nominated by the donors (Restricted funds)	1,219,000	306,710
Monies received as contributions to Donor Advised Funds (DAFs) (Unrestricted funds)	18,042,841	6,413,186
	19,261,841	6,719,896

3 Investment income

	2017 £	2016 £
Listed and unlisted investments	111,468	8,500
Interest on cash held as part of investment portfolio	11,815	38
	123,283	8,538

Investment income was wholly unrestricted for 2016/17 and 2015/16.

4 Total expenditure

	Raising Funds £	Charitable Activities £	2017 Total Funds £	2016 Total Funds £
Direct costs				
Grants (a)	—	4,426,757	4,426,757	3,352,303
Allocated support costs (b)				
Personnel	141,336	141,336	282,672	273,236
Rent	24,771	24,771	49,542	40,400
UK events and publications	39,245	39,245	78,490	14,122
Other admin expenses	9,096	9,096	18,192	12,796
Professional fees	32,615	—	32,615	6,437
Bank charges	5,168	5,168	10,336	7,612
Travel	27,879	—	27,879	13,191
Miscellaneous expenses	1,039	1,039	2,078	3,380
Depreciation	64	64	128	220
Governance costs (d)	70,344	—	70,344	40,555
Total	351,557	4,647,476	4,999,033	3,764,252

Notes to the financial statements 30 June 2017

(a) Grants

	Raising Funds £	Charitable Activities £	2017 Total Funds £	2016 Total Funds £
Grants committed but not yet paid at 1 July 2016	—	(3,875)	(3,875)	(352,468)
Grants paid during the period	—	4,235,193	4,235,193	3,700,896
Grants committed but not yet paid at 30 June 2017	—	195,439	195,439	3,875
	—	4,426,757	4,426,757	3,352,303

Grants for the year have been made in support of the following charitable activities:

	2017 £	2016 £
International	44,430	—
Medicine and health	616,130	869,752
Religion	242,214	121,864
The arts	209,472	1,333,282
Social welfare	335,563	149,318
General charitable organisations	430,717	211,603
Nature and the environment	200,789	74,298
Education	2,347,442	592,186
	4,426,757	3,352,303

The following institutions received total grants which are considered to be material in the context of NPT (UK)'s expenditure for the year ended 30 June 2017. Grants are not made to individuals.

	2017 £
Hamilton College	250,146
MQ	167,000
Serpentine Gallery	105,498
Saint Mary's School Ascot	150,000
Asian Venture Philanthropy Network	158,271
END Fund	195,439
Liverpool School of Tropical Medicine	395,679
New York University	369,208
On Purpose Careers Limited	125,000
University of California	223,263
St Mary's College of Winchester	123,000
	2,262,504

Notes to the financial statements 30 June 2017

The following institutions received total grants which are considered to be material in the context of NPT (UK)'s expenditure for the year ended 30 June 2016. Grants are not made to individuals.

	2016 £
Great Ormond Street Hospital Children's Charity	164,786
Artichoke Trust	262,867
Elliott Foundation	110,000
Groton School	169,074
Hamilton College	108,319
MQ	167,000
Science Museum Group	309,991
Serpentine Gallery	321,859
The National Theatre	192,643
The New Contemporaries (1988) Ltd	205,926
United Nations Foundation	337,620
World Health Organisation	337,620
	2,687,705

(b) Allocated support costs

Support costs are allocated based on time spent on activities.

(c) Comparative information

Comparative information for expenditure, analysed by fund, is as follows:

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2016 Total Funds £
Raising funds	227,801	—	—	227,801
Charitable activities	184,148	3,041,271	311,032	3,536,451
	438,953	3,041,271	311,032	3,764,252

(d) Governance costs

Governance costs comprised:

	2017 £	2016 £
Trustees meetings and travel	13,526	939
Legal expenses	28,786	30,076
Accountancy and audit fees	28,032	9,540
	70,344	40,555

Notes to the financial statements 30 June 2017

5 Net movement in funds

This is stated after charging:

	2017 £	2016 £
Auditor's remuneration	8,400	8,400
Accountancy fees	19,632	1,140
Depreciation	128	220

6 Salaries and consultant costs

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2017 Total Funds £	2016 Total Funds £
Salaries and consultant costs	243,265	—	—	243,265	240,251
Social security costs	22,802	—	—	22,802	19,527
Pension costs	10,574	—	—	10,574	8,700
Medical insurance	6,031	—	—	6,031	4,758
	282,672	—	—	282,672	273,236

The average number of employees and consultants during the year was 3 (2015/16: 2).

One employee earned between £170,000 and £180,000, excluding pension contributions (2015/16: one employee between £140,000 and £150,000).

Pension contributions for this employee amounted to £9,106 (2015/16: £8,700). No other employee earned over £60,000 for the year.

7 Key management personnel

The key management personnel during the year were the Trustees and the Chief Executive Officer. The aggregate remuneration paid during the year to key management personnel totalled £175,267 (2015/16 - £169,031).

8 Pension scheme

NPT (UK) operates a defined contribution pension scheme for employees. The amounts charged to profit and loss as an expense for the year in respect of contributions to this scheme totalled £10,574 (2015/16: £8,700).

9 Trustees' remuneration and expenses

No Trustee received any remuneration from the charity for their services (2015/16: £nil). No expenses were reimbursed during the period (2015/16 - £nil).

Notes to the financial statements 30 June 2017

10 Taxation

NPT (UK) Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets – computer equipment

	2017 £
Cost	
At 1 July 2016	662
Additions	3,240
Carried forward at 30 June 2017	<u>3,902</u>
Depreciation	
At 1 July 2016	533
Charge for the year	128
Carried forward at 30 June 2017	<u>661</u>
Net book value at 30 June 2017	<u>3,241</u>
Net book value at 30 June 2016	<u>129</u>

12 Investments

	30 June 2017 £	30 June 2017 £
Market value at 1 July 2016	3,887,913	
Additions at cost	12,592,015	
Disposals at market value	(3,006,325)	
Unrealised exchange loss	(566,866)	
Net realised and unrealised gains	139,187	
As at 30 June 2017		13,045,924
Cash held for reinvestment		—
Market value at 30 June 2017		<u>13,045,924</u>

Investments at market value comprised:

	UK £	Overseas £	Total £
Accounts and investments on call	209,264	83,941	293,205
Money market time deposits	7,575,188	2,652,492	10,227,680
FX Product and derivatives	—	2,101	2,101
Bonds	262,177	113,338	375,515
Equity investments	396,841	203,447	600,288
Unlisted investments	29,407	1,517,728	1,547,135
	<u>8,472,877</u>	<u>4,573,047</u>	<u>13,045,924</u>

Notes to the financial statements 30 June 2017

The following institutions received total grants which are considered to be material in the context of NPT (UK)'s expenditure for the year ended 30 June 2016. Grants are not made to individuals.

	2016 £
Great Ormond Street Hospital Children's Charity	164,786
Artichoke Trust	262,867
Elliott Foundation	110,000
Groton School	169,074
Hamilton College	108,319
MQ	167,000
Science Museum Group	309,991
Serpentine Gallery	321,859
The National Theatre	192,643
The New Contemporaries (1988) Ltd	205,926
United Nations Foundation	337,620
World Health Organisation	337,620
	<u>2,687,705</u>

(b) Allocated support costs

Support costs are allocated based on time spent on activities.

(c) Comparative information

Comparative information for expenditure, analysed by fund, is as follows:

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2016 Total Funds £
Raising funds	227,801	—	—	227,801
Charitable activities	184,148	3,041,271	311,032	3,536,451
	<u>438,953</u>	<u>3,041,271</u>	<u>311,032</u>	<u>3,764,252</u>

(d) Governance costs

Governance costs comprised:

	2017 £	2016 £
Trustees meetings and travel	13,526	939
Legal expenses	28,786	30,076
Accountancy and audit fees	28,032	9,540
	<u>70,344</u>	<u>40,555</u>

Notes to the financial statements 30 June 2017

Historical cost of investments	12,990,450
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Assets held in the portfolio representing more than 5% of the total market value were:

Private Equity Interest	11.6%
UBS USD Money Market Fund	15.0%
UBS Sterling Money Market Fund	31.4%
JPMorgan Sterling Liquidity Fund	23.3%

13 Debtors

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2017 Total Funds £	2016 Total Funds £
Debtors and prepaid expenses	14,855	—	—	14,855	13,575
Other debtors	6,333	7,996	—	14,329	13,321
	21,188	7,996	—	29,184	26,896

14 Creditors: amounts falling due within one year

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2017 Total Funds £	2016 Total Funds £
Grants payable	—	192,388	—	192,388	3,875
Purchase ledger balances	12,679	—	—	12,679	16,345
Audit fee	8,400	—	—	8,400	8,400
Accrued expenses	6,419	—	—	6,419	18,616
Due to NPT-US	38,216	9,551	—	47,767	—
	65,714	201,939	—	267,653	47,236

15 Movements in funds

	Balance as at 1 July 2016 £	Income £	Expenditure £	Realised & Unrealised (losses) £	Balance as at 30 June 2017 £
Unrestricted operating funds	526,908	271,730	(545,078)	(5,105)	248,455
Unrestricted DAF funds	5,056,079	18,166,068	(3,240,323)	(138,127)	19,843,697
Restricted DF funds	—	1,219,000	(1,213,632)	(5,368)	—
	5,582,987	19,656,798	(4,999,033)	(148,600)	20,092,152

Notes to the financial statements 30 June 2017

Unrestricted operating funds can be applied towards fulfilling NPT (UK)'s charitable purposes.

Unrestricted DAF funds represent funds available for the support of charitable activities.

Restricted DF funds represent donations made for disbursements to charities indicated at point of gift.

16 Reconciliation of unrealised losses in unrestricted DAF funds

	2017 Unrestricted DAF Funds £
Unrealised losses included	
On investment assets	<u>(427,679)</u>
Reconciliation of movement in unrealised losses on investment assets	
Unrealised exchange losses on foreign investment assets	<u>(566,866)</u>
Add: Net gain on revaluations in year	<u>139,187</u>
Unrealised losses at 30 June 2017	<u>(427,679)</u>

17 Ultimate parent undertaking

The ultimate parent undertaking is National Philanthropic Trust, a US registered charitable organisation. This organisation holds the only share in issue in NPT (UK). During the year ended 30 June 2017, National Philanthropic Trust donated £607,078 (2015/16: £558,454) to NPT (UK). At 30 June 2017, NPT (UK) owed £47,767 to NPT (US) in respect of certain operating expenses (2016: £nil).

18 Related party transactions

During the year ended 30 June 2017, the National Philanthropic Trust donated £607,078 (2015/16: £558,454) to NPT (UK). Additionally, a Trustee donated £24,216 in fiscal year 2016/17 (2015/16: £5,804) to NPT (UK) for purposes of disbursement to certain charities indicated at point of gift.