

# REGISTRAR OF COMPANIES



## NPT (UK) Limited

### Annual report and accounts

30 June 2018

Company Registration Number  
08612103 (England and Wales)

Charity Registration Number  
1153376

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## Contacts, officials and advisors

<b>Chair</b>	Eileen R. Heisman
<b>Trustees</b>	Eileen R. Heisman Claire Brown Cerin Gardner Charles Lubar Iain Younger
<b>Chief Executive Officer</b>	John Canady
<b>Company Number (England and Wales)</b>	08612103
<b>Charity Registration Number (England and Wales)</b>	1153376
<b>Independent auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	JP Morgan Chase Bank 25 Bank Street London E14 5JP  UBS 3 Finsbury Avenue London EC2M 2AN
<b>Principal investment managers</b>	UBS 3 Finsbury Avenue London EC2M 2AN  Cazenove Capital Regency Court Glatigny Esplanade St. Peter Port, Guernsey GY1 3UF

## **Contacts, officials and advisors**

### **Solicitors**

Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

### **Registered address**

20 Old Bailey  
London  
EC4M 7AN

## Chair's review

I am pleased to update you on NPT (UK) Limited's achievements and milestones. 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.

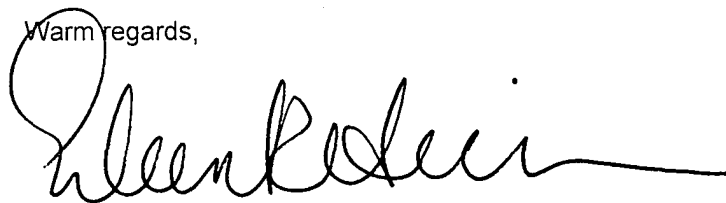
In fiscal year 2017/18, NPT (UK) reached new milestones:

- We continued to welcome new donors seeking donor-advised funds and other giving vehicles as effective means to meeting their philanthropic goals.
- Our donors—both new and existing—are comprised of individuals, families, foundations, and fellow charities. Because of their collective generosity, NPT (UK) granted approximately £10.5 million this fiscal year (2016/17: £4.4 million).
- We now manage £25.2 million of funds, an increase of 26.0% from the prior year (2016/17: £20.0 million), all of which will support qualified charities in the UK, US and around the world.

NPT (UK) aims 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', with a long horizontal flourish extending to the right.

**Eileen R. Heisman**  
**Chair, NPT (UK) Trustees**

## Trustees' report 30 June 2018

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 2018. 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 19 to 23 therein and comply with NPT (UK)'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 intended for specific charities. This giving vehicle is established by NPT (UK) to allow donors to use NPT (UK) as a tax efficient intermediary when making donations to particular 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 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 are growing in popularity in 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 reach 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 philanthropic giving vehicles;
- ◆ 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.

### **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 grants from their 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 certify 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 overhead;
- maximising eligibility for tax relief to increase the benefit to charitable purposes in proportion to the cost; and
- 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 £15,084,791 in fiscal year 2017/18 (2016/17 - £19,261,841) 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.

## **Achievements and strategic goals (continued)**

### ***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, including unlisted investments, in an effort to increase the amounts available for grants. Investment performance was positive for fiscal year 2017/18, reporting gains of £522,828 (2016/17: £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 335 grants totalling £10,530,542 in fiscal year 2017/18 (2016/17 - 184 grants totalling £4,426,757). 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.

### ***Fundraising statement***

NPT (UK) does not actively solicit donations and therefore is not registered with the Fundraising Regulator or subscribed to any fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations. During fiscal year 2017/18, the charity received no complaints about fundraising activities.

### ***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 non-operating foundations (as defined by US law);

**Grantmaking priorities and exclusions** (continued)

- ◆ Satisfy any private benefit (e.g. tuition fees, dues, membership fees, benefit tickets, or goods bought at charitable auction); and
- ◆ Satisfy any political contributions or to support campaign activities.

Charities are notified electronically of grants awarded and most grant payments are made electronically. Grant recipients may or may not submit to NPT (UK) 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 Trustees 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.

## **Trustees' report 30 June 2018**

### **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 qualified investment managers approved by the Trustees. 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 2017/18 fiscal year was £15,980,962 (2016/17 - £19,656,798). Expenditure for the year was £11,311,268 (2016/17 - £4,999,033). As a result, for the year ended 30 June 2018, there was a surplus - after exchange and investment gains of £238,687 (2016/17 exchange and investment losses of £148,600) - of £4,908,381 (2016/17 - £14,509,165). Funds at the end of the year comprised £25,000,534 (2016/17 - £20,092,153) of unrestricted and restricted 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 2018, these funds were £230,276 (2016/17 - £248,456), representing 3.6 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; and
- ◆ 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.

**Internal control – risk management (continued)**

The main form of financial risk NPT (UK) faces is 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.

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 dynamic document and process 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; and
- ◆ Investment policies.

The following paragraphs set out the identified key risks and the controls that NPT (UK) has 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.

## Trustees' report 30 June 2018

### **Internal control – risk management (continued)**

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.

For more information on DAFs and dual-qualified charities see our website at [www.NPT-UK.org](http://www.NPT-UK.org).

**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.

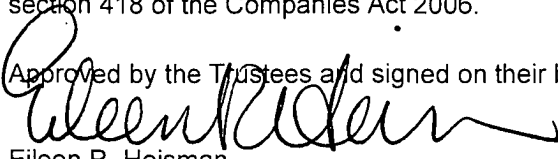
The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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, all relevant audit information has been disclosed to the charitable company's auditor; 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 section 418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

  
Eileen R. Heisman  
Chair

Date: October 1, 2018

## **Independent auditor's report Year to 30 June 2018**

### **Independent auditor's report to the shareholder of NPT (UK) Limited**

#### **Opinion**

We have audited the financial statements of NPT (UK) Limited (the 'charitable company') for the year ended 30 June 2018 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).

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 2018 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.

#### **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.

## **Independent auditor's report Year to 30 June 2018**

### **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.

### **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.

## Independent auditor's report Year to 30 June 2018

### 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.

### 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

This report is made solely to the charitable company's shareholder, 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 shareholder 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 shareholder, for our audit work, for this report, or for the opinions we have formed.



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

22/11/18

## Statement of financial activities Year to 30 June 2018

	Notes	2018 Unrestricted Operating Funds <sup>1</sup> £	2018 Unrestricted DAF Funds £	2018 Restricted DF Funds £	2018 Total Funds £	2017 Total Funds £
<b>Income from:</b>						
Donations						
Voluntary donations	1	807,514	—	—	807,514	271,574
Donations to giving funds	2	—	11,727,578	3,357,213	15,084,791	19,261,841
Investments	3	—	88,220	437	88,657	123,283
Other income		—	—	—	—	100
<b>Total income</b>		<b>807,514</b>	<b>11,815,798</b>	<b>3,357,650</b>	<b>15,980,962</b>	<b>19,656,798</b>
<b>Expenditure on:</b>						
Raising funds	4	450,363	13,937	62	464,362	351,557
Charitable activities	4	315,801	7,272,529	3,258,576	10,846,906	4,647,476
<b>Total expenditure</b>	4	<b>766,164</b>	<b>7,286,466</b>	<b>3,258,638</b>	<b>11,311,268</b>	<b>4,999,033</b>
Realised and unrealised (losses) gains on investment assets		—	432,866	1,305	434,171	139,187
<b>Net income</b>		<b>41,350</b>	<b>4,962,198</b>	<b>100,317</b>	<b>5,103,865</b>	<b>14,796,952</b>
<b>Other recognised (losses)/gains</b>						
Realised and unrealised exchange (losses)		(59,530)	(83,300)	(52,654)	(195,484)	(287,787)
<b>Net movement in funds</b>	5	<b>(18,180)</b>	<b>4,878,898</b>	<b>47,663</b>	<b>4,908,381</b>	<b>14,509,165</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		248,456	19,843,697	—	20,092,153	5,582,988
Total funds carried forward		230,276	24,722,595	47,663	25,000,534	20,092,153

<sup>1</sup> Including £1 share capital

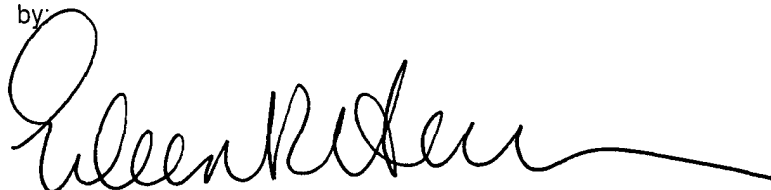
All the charity's activities in the above financial periods were derived from continuing operations.

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

# Balance sheet 30 June 2018

	Notes	2018 Unrestricted Operating Funds £	2018 Unrestricted DAF Funds £	2018 Restricted DF Funds £	2018 Total Funds £	2017 Total Funds £
<b>Fixed assets</b>						
Tangible assets	11	6,723	—	—	6,723	3,241
Investments	12	—	17,440,352	5,012	17,445,364	13,045,924
		6,723	17,440,352	5,012	17,452,087	13,049,165
<b>Current assets</b>						
Debtors	13	48,582	71,679	41,799	162,060	29,184
Cash at bank and in hand		211,366	7,740,608	852	7,952,826	7,281,457
		259,948	7,812,287	42,651	8,114,886	7,310,641
<b>Current liabilities</b>						
Creditors: amounts falling due within one year	14	(36,395)	(530,044)	—	(566,439)	(267,653)
<b>Net current assets (liabilities)</b>		223,553	7,282,243	42,651	7,548,447	7,042,988
<b>Total net assets</b>		230,276	24,722,595	47,663	25,000,534	20,092,153
<b>Represented by the funds of the charity:</b>						
Share capital		1	—	—	1	1
Unrestricted operating funds	15	230,275	—	—	230,275	248,455
Unrestricted DAF funds	15	—	24,722,595	—	24,722,595	19,843,697
Restricted DF funds		—	—	47,663	47,663	—
<b>Total funds</b>		230,276	24,722,595	47,663	25,000,534	20,092,153

These accounts were authorised and approved by the Trustees and signed on their behalf by:



Trustee: Eileen R. Heisman, chair

Approved on: October 1, 2018.

# Statement of cash flows 30 June 2018

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	4,552,703	14,464,952
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		88,657	123,283
Proceeds from sale of investments		2,087,603	3,006,325
Purchase of investments		(5,482,734)	(12,592,015)
<b>Net cash used by investing activities</b>		<b>(3,306,474)</b>	<b>(9,462,407)</b>
<b>Change in cash and cash equivalents in the period</b>		<b>1,246,229</b>	<b>5,002,545</b>
Cash and cash equivalents at the beginning of the reporting period	B	7,281,457	1,715,286
Change in cash and cash equivalents due to exchange rate movements	B	(574,860)	563,626
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>7,952,826</b>	<b>7,281,457</b>

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

	2018 £	2017 £
<b>Net income per the statement of financial activities</b>	<b>4,908,381</b>	<b>14,509,165</b>
<b>Adjustments for:</b>		
Realised and unrealised (gains) on investments	(434,171)	(139,187)
Depreciation charges	1,240	128
Dividends and interest from investments	(88,657)	(123,283)
(Increase)/decrease in debtors	(132,876)	(2,288)
Increase/(decrease) in creditors	298,786	220,417
<b>Net cash provided by operating activities</b>	<b>4,552,703</b>	<b>14,464,952</b>

## B. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	7,952,826	7,281,457
Cash held by investment managers	—	—
<b>Total cash and cash equivalents</b>	<b>7,952,826</b>	<b>7,281,457</b>

## Principal accounting policies 30 June 2018

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 Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees 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 2018**

The Trustees 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 2018

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.

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.

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:

## Principal accounting policies 30 June 2018

- 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.

Trustees consider that funds held by NPT (UK) in donor-advised funds pending recommendation for onward distribution to third party charities are classified as designated within unrestricted funds. 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.

## **Principal accounting policies 30 June 2018**

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 2018

### 1 Voluntary donations

	2018 £	2017 £
Donations from NPT (US)	807,514	271,574

Voluntary income was wholly unrestricted in 2017/18 and 2016/17.

### 2 Donations to giving funds

	2018 £	2017 £
Monies received for disbursement to charities nominated by the donors (Restricted funds)	3,357,213	1,219,000
Monies received as contributions to Donor Advised Funds (DAFs) (Unrestricted funds)	11,727,578	18,042,841
	<b>15,084,791</b>	<b>19,261,841</b>

### 3 Investment income

	2018 £	2017 £
Listed and unlisted investments	70,286	111,468
Interest on cash held as part of investment portfolio	18,371	11,815
	<b>88,657</b>	<b>123,283</b>

Investment income was wholly unrestricted for 2017/18 and 2016/17.

### 4 Total expenditure

	Raising Funds £	Charitable Activities £	2018 Total Funds £	2017 Total Funds (c) £
<b>Direct costs</b>				
Grants (a)	—	10,530,542	10,530,542	4,426,757
<b>Allocated support costs (b)</b>				
Personnel	202,019	202,019	404,038	282,672
Other	195,096	113,725	308,821	219,132
Depreciation	620	620	1,240	128
Governance costs (d)	66,627	—	66,627	70,344
<b>Total</b>	<b>464,362</b>	<b>10,846,906</b>	<b>11,311,268</b>	<b>4,999,033</b>

## Notes to the financial statements 30 June 2018

### (a) Grants

	Raising Funds £	Charitable Activities £	2018 Total Funds £	2017 Total Funds £
Grants committed but not yet paid at 1 July 2017	—	(195,439)	(195,439)	(3,875)
Grants paid during the period	—	10,195,937	10,195,937	4,235,193
Grants committed but not yet paid at 30 June 2018	—	530,044	530,044	195,439
	—	10,530,542	10,530,542	4,426,757

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

	2018 £	2017 £
International	687,008	44,430
Medicine and health	1,583,145	616,130
Religion	415,066	242,214
The arts	1,394,972	209,472
Social welfare	379,638	335,563
General charitable organisations	440,905	430,717
Nature and the environment	141,091	200,789
Education	5,488,717	2,347,442
	10,530,542	4,426,757

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 2018. Grants are not made to individuals.

	2018 £
University of Notre Dame du Lac	1,164,400
International Medical Corps (UK)	1,015,034
Brown University	987,326
Jamaica College Old Boys Association of Florida, Inc.	720,727
New York University	538,003
Camfed International	522,259
The Centre for Early Education	285,741
The United Kingdom Committee for Unicef	250,000
	5,483,490

## Notes to the financial statements 30 June 2018

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
	<b>2,262,504</b>

### (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 £	2017 Total Funds £
Raising funds	324,359	27,198	—	351,557
Charitable activities	220,719	3,213,125	1,213,632	4,647,476
	<b>545,078</b>	<b>3,240,323</b>	<b>1,213,632</b>	<b>4,999,033</b>

### (d) Governance costs

Governance costs comprised:

	2018 £	2017 £
Trustees meetings and travel	5,265	13,526
Legal expenses	40,362	28,786
Accountancy and audit fees	21,000	28,032
	<b>66,627</b>	<b>70,344</b>

## Notes to the financial statements 30 June 2018

### 5 Net movement in funds

This is stated after charging:

	2018 £	2017 £
Auditor's remuneration	8,500	8,400
Accountancy fees	12,500	19,632
Depreciation	1,240	128

### 6 Salaries and consultant costs

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2018 Total Funds £	2017 Total Funds £
Salaries and consultant costs	347,163	—	—	347,163	243,265
Social security costs	32,943	—	—	32,943	22,802
Pension costs	14,447	—	—	14,447	10,574
Medical insurance	9,485	—	—	9,485	6,031
	404,038	—	—	404,038	282,672

Salaries and consultant costs were wholly unrestricted for 2017/18 and 2016/17.

The average number of employees and consultants during the year was 5 (2016/17: 3).

One employee earned between £170,000 and £180,000, excluding pension contributions (2016/17: one employee between £170,000 and £180,000).

Pension contributions for this employee amounted to £9,522 (2016/17: £9,106). 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 total cost of employment of the key management personnel (including employer's national insurance and pension contributions) totalled £208,355 (2016/17 - £202,849).

### 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 £14,447 (2016/17: £10,574).

## Notes to the financial statements 30 June 2018

### 9 Trustees' remuneration and expenses

No Trustee received any remuneration from the charity for their services (2016/17: £nil).  
No expenses were reimbursed during the period (2016/17 - £nil).

### 10 Taxation

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

### 11 Tangible fixed assets – computer equipment

	2018 £
<b>Cost</b>	
At 1 July 2017	3,902
Additions	4,722
Carried forward at 30 June 2018	<u>8,624</u>
<b>Depreciation</b>	
At 1 July 2017	661
Charge for the year	1,240
Carried forward at 30 June 2018	<u>1,901</u>
<b>Net book value at 30 June 2018</b>	<u>6,723</u>
Net book value at 30 June 2017	<u>3,241</u>

## Notes to the financial statements 30 June 2018

### 12 Investments

	2018 £	2018 £	2017 £	2017 £
Market value at 1 July 2017	13,045,924		3,887,913	
Additions at cost	5,482,734		12,592,015	
Disposals at market value	(2,087,603)		(3,006,325)	
Unrealised exchange gains (losses)	570,138		(566,866)	
Net realised and unrealised gains	434,171		139,187	
As at 30 June 2018		17,445,364		13,045,924
Cash held for reinvestment		—		—
Market value at 30 June 2018		17,445,364		13,045,924

Investments at market value comprised:

	UK £	Overseas £	Total £
Accounts and investments on call	29,379	51,026	80,405
Money market time deposits	9,173,831	4,609,826	13,783,657
FX products and derivatives	—	1,277	1,277
Bonds	268,911	81,862	350,773
Equity investments	1,207,798	189,459	1,397,257
Multi asset funds	200,920	—	200,920
Unlisted investments	83,205	1,547,870	1,631,075
	10,964,044	6,481,320	17,445,364
Historical cost of investments			17,399,512

Assets held in the portfolio representing more than 5% of the total market value were:

Private Equity Interest	8.9%
UBS USD Money Market Fund	27.5%
UBS Sterling Money Market Fund	58.9%

### 13 Debtors

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2018 Total Funds £	2017 Total Funds £
Debtors and prepaid expenses	48,582	—	—	48,582	14,855
Other debtors	—	71,679	41,799	113,478	14,329
	48,582	71,679	41,799	162,060	29,184
Total 2017	21,188	7,996	—	29,184	

## Notes to the financial statements 30 June 2018

### 14 Creditors: amounts falling due within one year

	Unrestricted Operating Funds £	Unrestricted DAF Funds £	Restricted DF Funds £	2018 Total Funds £	2017 Total Funds £
Grants payable	—	530,044	—	530,044	192,388
Purchase ledger balances	12,807	—	—	12,807	12,679
Audit fee	8,500	—	—	8,500	8,400
Accrued expenses	12,342	—	—	12,342	6,419
Due to NPT-US	2,746	—	—	2,746	47,767
	36,395	530,044	—	566,439	267,653
Total 2017	65,714	201,939	—	267,653	

### 15 Movements in funds

	Balance as at 1 July 2017 £	Income £	Expenditure £	Realised & Unrealised (losses) £	Balance as at 30 June 2018 £
Unrestricted operating funds	248,455	807,514	(766,164)	(59,530)	230,275
Unrestricted DAF funds	19,843,697	11,815,798	(7,286,466)	349,566	24,722,595
Restricted DF funds	—	3,357,650	(3,258,638)	(51,349)	47,663
	20,092,152	15,980,962	(11,311,268)	238,687	25,000,533

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 gains in unrestricted DAF funds

	2018 Unrestricted DAF Funds £	2017 Unrestricted DAF Funds £
Unrealised gains included	1,004,309	(427,679)
On investment assets		
<b>Reconciliation of movement in unrealised losses on investment assets</b>		
Unrealised exchange gains on foreign investment assets	570,138	(566,866)
Add: Net gain on revaluations in year	434,171	139,187
<b>Unrealised gains at 30 June 2018</b>	<b>1,004,309</b>	<b>(427,679)</b>

## **Notes to the financial statements 30 June 2018**

### **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 2018, National Philanthropic Trust donated £1,062,204 (2016/17: £607,078) to NPT (UK). At 30 June 2018, NPT (UK) owed to NPT (US) in respect of certain operating expenses £2,746 (2016/17: £47,767).

### **18 Related party transactions**

During the year ended 30 June 2018, the National Philanthropic Trust donated £1,062,204 (2016/17: £607,078) to NPT (UK). Additionally, a Trustee donated £25,511 in fiscal year 2017/18 (2016/17: £24,216) to NPT (UK) for purposes of disbursement to certain charities indicated at point of gift.