

THE FUNDING NETWORK

**(Company limited by guarantee no. 04046959
registered charity no. 1088315)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

THE FUNDING NETWORK

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REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2017

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THE FUNDING NETWORK

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
ITS TRUSTEES AND ADVISERS
For the year ended 31 March 2017

Board of Trustees	Mr M Maynard, Chair Mr S Wheatley, Treasurer Dr R F Mulder CBE Ms S Brobbey Mrs C Pispinis Mrs J Hand Mr R Hewitt Mr M Chuter
Company Secretary	Ms S Brobbey
Chief Executive	Celine Gagnon
Company reg. no.	0406959
Charity reg. no.	1088315
Registered Office	16 Lincoln's Inn Fields London WC2A 3ED
Auditors	Knox Cropper 8/9 Well Court London EC4M 9DN
Bankers	Triodos Bank 11 The Promenade Bristol BS8 3NN Co-operative Bank PO Box 250, Delf House Southway, Skelmersdale WN8 6WT

CHAIRMAN'S STATEMENT

For the year ended 31 March 2017

The Funding Network (TFN) celebrated 15 years of live crowdfunding in March 2017. TFN has grown much since its inception in 2002, with the creation of new networks aimed at targeted audiences – Young Funding Network (YFN); City Funding Network (CFN); regional networks (Oxford, Bristol, Belfast, Herts, Ireland); Strategic Funding Group (SFG) – the international expansion to Australia, New Zealand, Central and Eastern Europe, and a multitude of partnerships with other organisations.

The 15th anniversary provided the opportunity to take stock, review our main achievements and look to our future growth. Our highlights of the year include:

- appointing a new CEO;
- celebrating our 15th anniversary by raising our 10th million (£) worldwide;
- increasing the number of active partnerships we foster to support more non-profits;
- consolidating our activities across Central and Eastern Europe (CEE).

Céline Gagnon took up the Chief Executive post in September 2016. She brings a deep understanding of the third sector to TFN, having been involved in cultural organisations for over a decade working in fundraising, partnership development and community engagement. Prior to joining TFN, she led an integrated capital and revenue fundraising campaign which raised £5.5million to upgrade London's Tricycle Theatre.

UK activities

At 31st March 2017, we had raised £544,644 at 22 events from 963 donors on behalf of 85 non-profits. We reached an important landmark in our short history on 15th March, raising our 10th million (£) for 1,500 projects at 350 events in 14 countries.

Funds raised this year went back up toward 2014-15 levels, halting the downward trend observed in the last couple of years. The year-on-year increases in events from 17 to 22 (30%), donors from 829 to 963 (16%) and projects from 62 to 85 (37%) directly correlate to the increase in funds raised. 80% (£438,529) of funds raised come from repeat donors (members and recurrent attendees), demonstrating the value of building upon our membership. Whilst our overall funds raised have increased back to 2014-15 level, the amount raised per event is in decline (£24,730/ event in 2016-17 against £35,054/ event in 2013-14).

62% of attendees gave at TFN London events in 2016-17; it is difficult to have an average of all events, as they are too varied in size, targets and audience to provide useful data. 43% of total funds are raised at TFN London events (£236,641), which account for 30% of the events programme; 23% at SFG (£126,900), whilst these events make up 10% of the programme; and 25% from partnership events (£122,138).

THE FUNDING NETWORK

CHAIRMAN'S STATEMENT

For the year ended 31 March 2017

TFN London events were slightly less well-attended than in the previous year, largely due to a low attendance at the film event in July. Themed events seem to be less popular than others; they offer less choice in the causes to support, so attract a rather niche audience. Events were generously hosted by Cazenove, Channel 4, Macquarie Bank, Goodman Derrick, our long-term corporate member Rathbone Greenbank Investments, and our new host Funding Circle.

The team developed a number of new partnerships in the year, with: Kidz for Change; Cazenove Young Investors; St Albans Volunteer Group; Rainmaker Foundation; and Charity Clarity. Amongst the most successful new partnership events were the St Albans Community Group, which attracted nearly 90 attendees, and Rainmaker Foundation, where we tested a new model to allow 10 non-profits to pitch at an event (instead of the standard 4 pitches). Whilst not all partnerships were successful, they enabled us to increase overall attendance and funds raised. They have also given us the flexibility to trial new approaches, improving our resilience and making us an attractive collaborator for a variety of organisations as we look to grow.

International activities

May 2017 marked the 5th anniversary of the first TFN International event in Sofia, Bulgaria. Since then, there have been 118 events in 10 countries which have directly raised £2.5m for 561 social change projects from 8,000 donors.

Bulgaria and Romania are the most established operations in Central and Eastern Europe (CEE). Other partner organisations in CEE continue to establish the model and we anticipate that TFN events will become permanent fixtures in the philanthropic landscape of these countries within the next 2 years. We have also made a number of new connections in Cyprus, Russia, Kenya and Latvia, to name a few, and are looking forward to developing these partnerships in the coming months.

The challenging political contexts in which some of our affiliates are operating make their efforts both more difficult and urgent, and our support more vital. Many partners worry about the tangible political shift to the far right and the effects this is having on people already fearful for the region's stability. One partner wrote:

"What I am really worried about is the effect of the government's targeted propaganda: decreasing trust among people, a more atomised society as people lock themselves in their 'shelves' worried about 'enemies', [...] In a way, giving circles may become an even more popular and important way of enabling social change, raising funds and connecting people since they are close to their audiences, can communicate directly with stakeholders (even face to face), maintain/grow trust through their work and can show that it is possible to "do something meaningful"."

CHAIRMAN'S STATEMENT

For the year ended 31 March 2017

TFN Australia is currently active in 5 cities (Sydney, Melbourne, Brisbane, Perth and Canberra). It has directly raised £1.8m for 130 community-based organisations and has done well in engaging corporate partners in support of their work. TFN in New Zealand struggled in 2016, as they lost one of their main corporate supporters and saw a change in leadership at the Auckland Community Foundation. Their advisory group remains strong and plans for events in 2017 are well underway.

Impact

Over the last five years, 28% of projects and 30% of funds raised went to education, the most popular cause across TFN's activities, followed closely by health and wellbeing. The most popular beneficiary group is children and young people – 43% of projects and 44% of funds raised – which reflects national giving trends. The second most popular beneficiary group is local communities, which at 14% is a significant step below the top ranking beneficiary group.

UK-focused projects are more frequently selected than international ones at TFN, with 66% of successful projects working in the UK. However, UK projects received 57% of funds raised, showing that a slightly higher number of international projects being selected may be beneficial to TFN; this is again highlighted by the fact that while only 15% of projects selected are Africa-focused, they constitute 25% of funds raised.

TFN continues to provide funding to small non-profits at a crucial time in their development, or for initiatives that are difficult to fund. TFN is often one of the first funders to organisations that go on to achieve significant social change by leveraging greater funds elsewhere. Many get recognition for their amazing work, receiving nominations and awards. Highlights for this year include:

- Asian Woman of Achievement Award to Bonnie Chiu (Lensational)
- OBEs to Jocelyn Hillman (Working Chance) and to Julia Lalla-Maharajh (Orchid Project)
- Pride of Sports Award for Flamingo Chicks
- A BAFTA nomination for Notes on Blindness and an Oscar for The White Helmets

Funding

We are grateful for the ongoing support of the Macquarie Group Foundation, City Bridge Trust, the T&J Meyer Family Foundation, the Joel Joffe Trust and a number of private donors for our core activities. We were saddened to hear of Lord Joffe's death earlier this year and feel very fortunate to have been supported by a man of such distinction. Generous funding from the Marie-Louise von Motesiczky Charitable Trust, the Charles Stewart Mott Foundation and the Frederick Mulder Foundation enabled us to continue our international work.

Huge thanks must also go to the companies that have hosted and sponsored events during the year. These include Rathbone Greenbank Investments, Goodman Derrick, Funding Circle, Santander and RBS, as well as Alan Parker who has provided TFN with pro bono-office space for the eighth year at Brunswick and continues to be a great supporter of our work.

We strive to make TFN more self-sustaining by seeking partnerships with other organisations, through the levy we take on donations and, most importantly, by growing our membership.

Membership

Membership is at the very heart of TFN, not only serving as the charity's most active donor pool, but also contributing towards TFN's running costs. It is, therefore, hugely important that we continue to focus on retaining current members, whilst attracting new ones. As well as making donations, members nominate non-profits to be put forward to pitch at an event, help to review and select the nominated non-profits, and connect us to new supporters in the UK and abroad.

Trustees

TFN's Trustees are deeply committed to the charity and its governance. Not only do they attend regular board meetings but come to most events, fund charitable projects themselves, contribute to new satellite groups in the UK and overseas, spread the word and have even donated directly to TFN's core costs.

And Finally...

TFN continues to make a positive difference to people's lives in the UK and overseas by funding inspirational social change projects. This milestone year highlights the impact the organisation has made. TFN's strength is its network - dedicated staff, committed trustees, members who find and select projects, generous funders and enthusiastic donors who turn up to experience the value of giving together. Collectively we are more than the sum of our parts.

The Board is extremely grateful to everyone involved.

Michael Maynard
Chair

The Trustees present their annual report together with the audited financial statements of The Funding Network (the company) for the year ended 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in January 2015.

OBJECTIVES AND ACTIVITIES

Objectives

The Funding Network is an open network which links donors to charitable causes and social entrepreneurs. It aims to:

- raise money for organisations creating social change;
- provide a public benefit by educating attendees at events about social change projects;
- encourage an increasing number of people to engage in active, intelligent philanthropy;
- help individuals make an impact by enabling them to combine their giving with others.

TFN carries out its long-term objectives through hosting warm, inclusive social events to raise funds for charitable causes and social entrepreneurs.

Raising money

Organisations nominated by members apply to present at events and agree to go through a competitive selection process. The application process is a simple online form, followed by a phone interview with a Selection Panel for shortlisted non-profits. Selected organisations are given six minutes to pitch their cause at an event, followed by six minutes for questions. Non-profits are informed of the funds raised immediately after the event and receive the full amount with Gift Aid (minus TFN's levy) within 12 weeks.

Informing attendees

Most TFN events are open to the general public as well as members, through online registration. Attendees receive an information pack about the presenting organisations in advance of the event and pay an attendance fee as a contribution towards costs (unless they are members). The information gives details of all the causes and their funding requests and the events allow space for attendees to talk informally to all the presenting causes. Attending an event and donating alongside other people enable attendees to learn from the philanthropy of others as well as to influence others with their own preferences and philanthropic expertise. Attendees enjoy hearing directly from the social activists involved with the presenting organisations, and often meet end-beneficiaries too.

Engagement in active philanthropy

TFN members can nominate non-profits and have a responsibility to guide the application process. Selection Panels are made up of members who put themselves forward and representatives of partner organisations. These meetings are led by an experienced TFN member and attended by one of the staff team. Members are also encouraged to contribute to events by volunteering in various capacities, including sharing insights into their philanthropy and championing projects they have nominated. The aim is to create a positive, informative and inspiring environment so that first-time attendees enjoy the collective giving experience and wish to return, irrespective of whether they have given at the event or not.

Collective impact

Donors come together to have a collective impact through their giving at TFN events. Small donations and larger gifts help create a single grant made by TFN to the presenting organisation towards the specific funding needs outlined. All selected projects are nominated by TFN members and evaluated on their model of social change, the level of impact they create for their beneficiaries and their appeal to potential donors attending TFN events. Not only do organisations presenting at events receive most or all of the funding they ask for, but they also build relationships with donors, who sometimes provide valuable expertise, contacts and additional funding. At every TFN event, an organisation funded at a prior event reports back to the audience on the impact of the financial and pro bono support they received.

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees ensure that TFN's social change mission is carried out for the public benefit through the creation of funding events which support small charitable organisations that aim to enable enduring positive transformation for individuals, communities, and/or society and the environment over the long term. Examples of projects include those which:

- address issues of inequality and disadvantage;
- create advocacy / campaigning / dissemination to change society for the better;
- aim to find a new / better solution to an underlying problem;
- focus on personal development to change the way beneficiaries act and live;
- pilot solutions with the potential for expansion to support many more people.

Our charitable organisation is primarily set up to support:

- **the beneficiaries** of the charitable organisations funded at our events, in health, education, human rights, crime prevention, environment, livelihoods and inclusion;
- **the attendees** at our events, who discover new organisations to support, learn from the philanthropy of others and engage in active philanthropy. Our events are inclusive and anyone may register to attend or become a TFN member.

FINANCIAL REVIEW

Result for the year

We are pleased to show that this year's activities have resulted in a surplus of £6,241. This surplus is lower than last year's (£98,553), which was due to a large amount of restricted funding received in that year.

Details of Reserves

TFN is a small and nimble organisation that relies on a combination of membership fees, ticket sales, levy and grants to sustain its activities, as earned income alone would not allow us to continue operating. This means that if there were to be a gap in earned or fundraised income, it is likely that the charity would have to close down. To avoid closure in case of temporary funding difficulties, staff long-term absence due to illness or parental leave, or loss of free-rent office, the Trustees have agreed to keep a certain level of financial reserves to ensure that main operations can continue for a period of 3 to 6 months. The main concerns of the Trustees are to ensure that staff can continue working, primarily to secure new funding for TFN and the organisations it supports.

A separate cash reserve has been built from the legacy of the late Venetia West Estate received in 2012. This level of reserves is being reviewed every 3 months by the Trustees at their regular meetings. This policy is reviewed yearly to reflect any significant changes to the charity's work and circumstances.

Free reserves stand at £108,100 on 31st March 2017. Funding has been secured until March 2018. Should difficulties arise in the current financial climate, it has been calculated that a cash reserve of £50,000 would be needed to continue running for at least 3 months.

Risks

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Board of Trustees regularly reviews and assesses the risks faced by TFN in all areas of its work and plans for the management of those risks. Risk is an everyday part of charitable activity and managing it effectively is essential if Trustees are to achieve their key objectives and safeguard TFN's funds and assets. TFN's risks relate primarily, but are not limited to, the financial and operational positions of the charity.

PLANS FOR FUTURE DEVELOPMENT

Over the financial year beginning 1st April 2017, TFN's aims are as follows:

- to keep introducing more new donors to social change philanthropy by:
 - supporting and sustaining all active groups in the UK and abroad;
 - working with partner organisations to create more events in new locations and for new donors;
- to continue to grow membership of TFN in the UK;
- to continue to foster new partnerships in the UK and abroad;
- to increase delivery of capacity-building skills for small non-profits in the UK and abroad;
- to grow overall funds raised for small non-profits in the UK and abroad.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is constituted under a Memorandum of Association dated 3 August 2000 and is a registered charity number 1088315.

The charitable objects of the company are to pay or apply the funds of the company to or towards or in furtherance or advancement or for the benefit of such one or more charities, charitable institutions or charitable purposes and if more than one in such shares and in such manner as the board of directors of the company thereafter in their absolute discretion from time to time shall respectively select and think fit.

The principal aim of the company is to provide a public crowdfunding forum which:

- acts as a 'marketplace' to which individuals bring projects that work towards a fairer, healthier and more sustainable world;
- provides a mutually respectful setting, where those who might like to join with others in funding such projects get to meet and hear from those doing the work;
- promotes a paradigm of social change giving: that those who have much can usefully share their wealth in creative and proactive ways, and that the process of giving can be enriching to the giver as well as the receiver.

It achieves this by running events (and encouraging others to run events) for the public benefit, bringing potential donors face to face with smaller charities and social enterprises in need of funding, and encouraging donations to be pledged and support in-kind facilitated at each event.

Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. All Trustees are members of The Funding Network and as such are familiar with the organisation.

Trustees are recruited according to the skills, knowledge and experience required. Existing Trustees identify where gaps need to be filled, such as those relating to an area of governance. Candidates are interviewed by the Chair, another Trustee and the CEO. Each new Trustee receives a full induction and a detailed information pack, Charity Commission's Essential Trustee leaflet, minutes for previous Board meetings, a copy of TFN's Memorandum & Articles of Association, a copy of TFN's Policies and the most recent annual accounts. New Trustees are also offered the opportunity to receive training appropriate to their and TFN's needs and to spend time in the TFN office observing the organisation's operations. Trustees serve an initial term of three years and are eligible for one further year.

Organisation and Management

The Funding Network has eight Trustees including its Chair, Michael Maynard, a longstanding member of TFN. Trustee meetings are held 4 times per year. Papers before each meeting are used to keep the Board informed about developments and prepared for any key decisions required. The Board sets strategy and policy for membership recruitment, grant making and financial matters.

While Trustees govern the organisation, the day to day running is delegated to its staff. The Funding Network staff for the year comprised 5 permanent roles (Chief Executive Officer, International Director and 3 members of staff), alongside some temporary support and volunteers in the office and at events. Staff members are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect policy.

Key management at TFN includes the CEO, the International Director and the Trustees. Remuneration for the CEO and International Director is benchmarked against that of other similar organisations and adjusted after a performance review conducted by members of the board. Trustees are not remunerated.

The Funding Network is based in London and administers a number of dispersed groups in the UK and abroad which are run by dedicated local volunteers. TFN events held outside of the UK are administered by partnering charitable organisations rather than TFN and are therefore not reflected in the Statement of Financial Activities that follows.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

BOARD OF TRUSTEES' REPORT

For the year ended 31 March 2017

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 Board of Trustees has overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The Trustees are also responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The Board of Trustees is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

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

Auditors

The auditors, Knox Cropper, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees and signed on its behalf by:

Michael Maynard, Chair

Date: _____

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE FUNDING NETWORK FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of The Funding Network for the year ended 31 March 2017 which comprise the Statement of Financial Activities, including the income and expenditure account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Board of Trustees and auditors

As explained more fully in the Responsibilities Statement of the Board of Trustees, the Board of Trustees (who are also the directors of The Funding Network for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Board of Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE FUNDING NETWORK FOR THE YEAR ENDED 31 MARCH 2017

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 of the information and explanations we require for our audit; or
- the Board of Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of Trustees.

Kevin Lally (Senior Statutory Auditor)

For and on behalf of:

Knox Cropper

Chartered Accountants & Statutory Auditors

8/9 Well Court

London

EC4M 9DN

Date:

Knox Cropper Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE FUNDING NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	59,875	635,441	695,316	815,335
Charitable activities	5	31,385	-	31,385	30,167
Other trading activities	3	-	-	-	-
Investments	4	147	-	147	265
TOTAL		<u>91,407</u>	<u>635,441</u>	<u>726,848</u>	<u>845,767</u>
EXPENDITURE ON:					
Raising Funds					
Costs of generating voluntary income		12,568	-	12,568	15,601
Charitable activities					
Grant-making		50,050	494,594	544,644	530,858
TFN UK Events		29,322	63,000	92,322	121,383
TFN International		-	71,073	71,073	79,372
TOTAL EXPENDITURE	6	<u>91,940</u>	<u>628,667</u>	<u>720,607</u>	<u>747,214</u>
Net income/(expenditure) before transfers		(533)	6,774	6,241	98,553
Transfer between funds	14	50,050	(50,050)	-	-
NET MOVEMENT IN FUNDS		<u>49,517</u>	<u>(43,276)</u>	<u>6,241</u>	<u>98,553</u>
RECONCILIATION OF FUNDS					
TOTAL FUNDS AT 1 APRIL 2016		118,898	119,077	237,975	139,442
TOTAL FUNDS AT 31 MARCH 2017		<u><u>£168,415</u></u>	<u><u>£75,801</u></u>	<u><u>£244,216</u></u>	<u><u>£237,975</u></u>

THE FUNDING NETWORK

BALANCE SHEET

For the year ended 31 March 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	11	29,175	35,722
Cash at bank and in hand		269,281	285,682
		<u>298,456</u>	<u>321,404</u>
CREDITORS: amounts falling due within one year	12	(54,240)	(83,429)
NET CURRENT ASSETS		<u>244,216</u>	<u>237,975</u>
NET ASSETS		<u>£244,216</u>	<u>£237,975</u>
FUNDS			
Unrestricted funds:			
Designated funds	13	82,700	71,450
General fund	13	85,715	47,448
		<u>168,415</u>	<u>118,898</u>
Restricted funds	13	75,801	119,077
		<u>244,216</u>	<u>237,975</u>

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the Board of Trustees on 12th September 2017 and signed on their behalf by:-

_____ M MAYNARD, Chair

THE FUNDING NETWORK

CASHFLOW STATEMENT

For the year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Surplus/(deficit) for the financial year	6,241	98,553
Adjustments for:		
(Increase)/decrease in debtors	6,547	(31,210)
Increase in creditors	(29,189)	28,028
Investment income	(147)	(265)
	<u>(16,548)</u>	<u>95,106</u>
Cash flows from investing activities		
Return on investment – interest receivable	147	265
Net increase/(decrease) in cash and cash equivalents	<u>(16,401)</u>	<u>95,371</u>
Cash and cash equivalents at 1 April 2016	285,682	190,311
Cash and cash equivalents at 31 March 2017	<u>£269,281</u>	<u>£285,682</u>
Components of cash and cash equivalents		
Cash at bank and in hand	<u>269,281</u>	<u>285,682</u>

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention. They have been prepared in accordance with applicable United Kingdom accounting standards, the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities (under section 1a) and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. In preparing the accounts, no restatement was required in applying the accounting policies required by FRS 102 and Charities SORP FRS 102.

Company status

The Funding Network is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Trustees' meetings, audit and strategic planning.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Pensions

The company is part of a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Pledges and Gift Aid	-	544,644	544,644	530,858
Grants	54,859	90,797	145,656	278,334
Gift in Kind	4,500	-	4,500	4,500
Other voluntary income	516	-	516	1,643
	<u>59,875</u>	<u>635,441</u>	<u>695,316</u>	<u>815,335</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The Gift-in-kind relates to donated facilities for fundraising events. An equivalent amount is included in Event expenses. In addition, office accommodation and facilities are made available by Brunswick.

Funds raised through partner events in Ireland, Australia, New Zealand, Poland, Romania, Bulgaria, Slovakia, Serbia, Hungary and Turkey totalled £925,000 (compared with £910,000 in 2015/16). These events were administered by partner organisations rather than TFN so are not directly reflected within the funds raised represented in these accounts. However, all partnering events and organisations receive substantial ongoing support and guidance from TFN.

Analysis of the grants funding	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2017	2017	2017	2016
	£	£	£	£
Macquarie Group Foundation	-	25,000	25,000	30,000
The City Bridge Trust	-	-	-	35,000
Frederick Mulder Foundation	10,000	8,000	18,000	18,000
Marie-Louise Motesiczky Charitable Trust	-	35,000	35,000	50,000
Charles Stewart Mott Foundation	-	19,797	19,797	115,886
Others, including private donations	44,859	3,000	47,859	29,448
	<u>54,859</u>	<u>90,797</u>	<u>145,656</u>	<u>278,334</u>

Others include amounts received under the Swan Appeal, which was an appeal to members for donations and includes amounts received from trustees.

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2017	2017	2017	2016
Fundraising events	-	-	-	-
Sponsorships	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

4. INVESTMENT INCOME

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Interest receivable from:				
Bank Interest	147	-	147	265
	<u>147</u>	<u>-</u>	<u>147</u>	<u>265</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Membership fees	27,640	-	27,640	26,292
Attendance fees	3,745	-	3,745	3,875
	<u>31,385</u>	<u>-</u>	<u>31,385</u>	<u>30,167</u>

6. RESOURCES EXPENDED

	Total 2017	Total 2016
Cost of charitable activities		
Grant-making	544,644	530,858
TFN UK Events	92,322	121,383
TFN International	71,073	79,372
Total charitable expenditure	<u>708,038</u>	<u>731,613</u>
Costs of generating voluntary income	12,568	15,601
	<u>720,607</u>	<u>747,214</u>

	Grant Funding of Activities £	Staff Costs £	Other Direct costs £	Support Costs £	Total 2017 £
Grant-making	494,594	34,330	-	15,719	544,644
TFN UK Events	-	89,551	692	2,079	92,322
TFN International	-	49,802	21,162	109	71,073
Total charitable expenditure	<u>494,594</u>	<u>173,683</u>	<u>21,854</u>	<u>17,908</u>	<u>708,038</u>
Costs of generating voluntary income	-	-	12,568	-	12,568
	<u>494,594</u>	<u>173,683</u>	<u>34,422</u>	<u>17,908</u>	<u>720,607</u>

Resources expended include:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

	2017	2016
	£	£
Auditors' remuneration:		
Audit fee	3,840	3,780

Details of staff costs are given in Note 9.

Details of Support costs are given in Note 8.

7. GRANTS PAYABLE

	2017	2016
	£	£
Grants payable at the start of the year (note 12)	(45,115)	(40,078)
Grants payable at the year end (note 12)	16,790	45,115
Grants paid during the year:		
The Funding Network (London)		
10:10	-	11,321
Action Through Enterprise	4,379	-
Advocacy for Older People in Greenwich	-	6,149
Asian Women's Resource Centre	6,315	-
Bags of Taste	8,929	-
Bede House	8,705	-
BetKnowMore UK	-	7,894
Bholas Children	6,469	-
Bite the Ballot	-	6,145
British Shalom Salaam Trust	-	12,555
Choir With No Name	9,230	-
CleanConscience	185	10,558
Curious Monkey	-	8,170
Duy-Der	-	15,678
Educating the Child	8,549	-
Fatherhood Institute	-	7,305
Feedback	8,903	-
Finding Rhythms	7,566	-
Flamingo Chicks	-	6,822
Forty Hall Community Vineyard	-	10,788
Friends of Kipkelion	-	9,158
Friends of the Children of Orissa	-	9,351
Future First Global	-	4,296
Gravity Light Foundation	10,611	-
JAGS Foundation	-	9,339
Kokoda Track Foundation	-	10,009
Lensational	-	11,157
Living Paintings	5,915	-
Maytree Respite Centre	9,544	6,358

THE FUNDING NETWORK

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Mindset Development Organisation	-	212
Music in Detention	7,253	-
New Notes Orchestra	6,996	-
North London Cares	-	8,088
Notes on Blindness	6,018	-
Nyaka Aids Orphan Project	-	7,337
Pardada Pardadi Education Society	-	116
PlettAid	6,606	-
Primary Shakespeare Company	-	364
RECLAIM Project	-	237
Refugee Support Europe	14,442	-
Renewable World	9,501	-
SEED Impact Trust	7,376	-
Settle	10,198	-
Seven Songs for a Long Life	5,976	-
Shivia	15,561	-
Startuponline	-	16,027
Streets of Growth	-	7,023
Temwa	-	8,048
TheHorseCourse	-	10,330
The Listening Place	12,070	-
The Student View	11,389	-
The White Helmets	7,151	-
United Allstars	7,783	-
Whole Child International	10,470	-
Year Here	6,764	-
	<u>240,856</u>	<u>220,835</u>
City Funding Network		
Book Clubs in Schools	6,144	-
Fair For You	-	4,579
FAST/e:merge	-	48
FRANK Water	-	4,931
HERA	5,423	-
Maternity Worldwide	6,030	-
Mazi Mas	5,145	-
Migration Museum Project	-	3,994
Oda Kids Foundation	-	75
Pump Aid	-	5,203
Restless Development Zimbabwe	-	6,869
South London Cares	6,588	-
TAGS	5,452	-
Team Up	-	6,413
Work Aid	-	333
	<u>34,782</u>	<u>32,445</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Young Funding Network

Beats&Bridges	873	-
BeScience STEM	997	-
Bread & Roses	1,818	-
Charis Coaching	-	1,091
Chatterbox	973	-
ChipMonk	315	1,002
CoachBright	-	861
CrackedIt	-	1,706
Deeds	-	1,585
Development in Action	857	-
Fat Macy's	1,295	-
Flamingo Foundation (Find My Style)	-	1,040
Friend Finder	1,068	-
Kitchenette Foundation	-	1,344
Lensational	-	1,272
Misc.	2,375	-
Mouthy Poets	-	831
Nusa Social Enterprise	1,200	-
People Matching Places	2,172	-
Reaching Higher	-	1,337
Rural Urban Syntheses Society	-	1,187
Settle	-	1,046
Storeys	2,622	-
Tanzania Development Trust	-	1,503
The 4Front Project	1,180	-
The Hard Yard	2,306	-
The Middle Ground	-	2,908
Year Here	707	2,336
	<u>20,758</u>	<u>21,049</u>

Strategic Funding Group

African Prisons Project	24,408	-
EducAid	19,541	-
FAST/e:merge	-	14,800
Friends of Kipkelion	14,106	-
Medical Aid Films	-	21,460
Oda Kids Foundation	-	26,091
One Eighty	-	19,818
Startuponline	21,969	-
Street Soccer NI	14,511	-
StreetDoctors	22,848	-
Test for Africa	-	35,613
The Bike Project	-	22,154
	<u>117,383</u>	<u>139,936</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Partner / Regional Events

Alcohol Education Trust	-	7,509
Aldates Community Transformation Initiative	4,438	-
Assisted Reading for Children	3,505	-
Birdsong	-	536
Blackbird Leys Neighbourhood Support Scheme	-	4,350
Blackfordby College of Agriculture	16,489	-
Quartet Community Foundation	493	-
Centre for Criminal Appeals	3,870	-
Child.org	3,043	-
Creative Exchange	-	2,717
Drake Music Project	-	5,978
Equal Community Foundation	3,657	-
Evergreen Play Association	-	2,514
Fair for You	925	-
Farm Inspiration Trust	-	4,551
First Give	1,939	-
Flamingo Chicks	2,775	-
Forty Hall Community Vineyard	1,750	-
Foundation for Change	-	3,145
Girls' Network	3,197	-
Host Oxford	7,828	-
Hull Children's University	3,209	-
Kent Refugee Action Network	3,199	-
Kickstart Ghana	1,190	-
Lightyear Foundation	1,355	-
London Youth Choir	-	10,325
Luminary Bakery	4,489	-
Magic Bus	1,087	-
Mind in Mid Herts	2,558	-
My Life Films	1,295	-
North London Cares	2,775	-
Orchid Project	3,749	-
Our Community Time Bank	-	4,301
Polio Children	2,671	-
Pulse Arts	1,576	-
SAPERE	-	4,625
Settle	2,775	-
Sev Necati Training	-	2,364
South Oxfordshire Food Education Alliance	-	5,201
Southside Young Leaders Academy	-	9,118
Spark Inside	2,806	-
Street Soccer NI	-	3,873
Sustainable Wantage	3,257	-
Team Up	1,870	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The Crib	-	2,286
The Listening Place	1,388	-
The OLLIE Foundation	2,459	-
The Student View	2,775	-
Transition St Albans	3,316	-
Working Chance	2,575	-
Young People's Puppet Theatre	2,859	-
	<u>109,141</u>	<u>73,393</u>
Other Grants	-	2663
	-	<u>2663</u>
	<u>494,594</u>	<u>495,358</u>

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
General overheads	14,068	15,007
Auditors' audit fee	3,840	3,780
	<u>17,908</u>	<u>18,787</u>

9. STAFF NUMBERS AND COSTS

	Total 2017 £	Total 2016 £
Wages and salaries	157,607	142,924
Social security costs	13,035	11,979
Pension costs	3,041	9,421
Cost of contracted staff	-	3,950
Other staff costs	-	-
	<u>173,683</u>	<u>168,274</u>

The average weekly number of employees, calculated as full time equivalents during the period was:

	Number	Number
Employees	<u>4.6</u>	<u>4.6</u>

No employee received remuneration of more than £60,000.

During the year, key management, comprising the CEO and the International Director, received remuneration of £77,512 (2016: £78,800).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

10. TRUSTEES REMUNERATION AND BENEFITS

During the year, no members of the Board of Trustees received any remuneration (2016: £nil).

No members of the Board of Trustees received reimbursement of expenses (2016: £nil).

11. DEBTORS

	2017	2016
	£	£
Due within one year		
Other debtors	29,175	35,722
	<u>£29,175</u>	<u>£35,722</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade Creditors	-	9,044
Deferred income	26,000	25,000
Grant commitments	16,790	45,115
Social security and other taxes	-	-
Other creditors	29	475
Accruals	11,421	3,795
	<u>£54,240</u>	<u>£83,429</u>
<u>Deferred income</u>		
Balance at 1 April 2016	25,000	-
Amount released in year	(25,000)	-
Amount deferred in the year	26,000	25,000
Balance at 31 March 2017	<u>26,000</u>	<u>25,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

13. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers & investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Swan Appeal	71,450	11,250	-	-	82,700
	<u>£71,450</u>	<u>£11,250</u>	<u>-</u>	<u>-</u>	<u>£82,700</u>
RESTRICTED FUNDS					
Grant-making	-	544,644	(494,594)	(50,050)	-
TFN UK Events	-	63,000	(63,000)	-	-
TFN International	119,077	27,797	(71,073)	-	75,801
	<u>£119,077</u>	<u>635,441</u>	<u>(628,667)</u>	<u>(50,050)</u>	<u>75,801</u>
SUMMARY OF FUNDS					
Designated Funds	71,450	11,250	-	-	82,700
General Funds	47,448	80,157	(91,940)	50,050	85,715
	118,898	91,407	(91,940)	50,050	168,415
Restricted Funds	119,077	635,441	(628,667)	(50,050)	75,801
	<u>£237,975</u>	<u>£726,848</u>	<u>£(720,607)</u>	<u>-</u>	<u>244,216</u>

The designated fund represents Swan Appeal funds raised by special appeal to cover the running costs of specific programmes/events over the next 3 years.

Money raised at UK Events by The Funding Network is for specific non-profits. These funds are treated as restricted and have been paid to the respective non-profits less a levy of on average 7.5% to cover overheads. The levy is treated as a transfer between funds (see below). Restricted grants have also been received during the year to fund the development of TFN activities in overseas countries (TFN International).

14. TRANSFERS

	Restricted Funds 2017 £	Unrestricted Funds 2017 £
Transfer in the year comprises:		
Transfer to Unrestricted Funds		
Levy	<u>(50,050)</u>	<u>50,050</u>

In the current year, the levy is higher than the expected 7.5% because a change in the treatment means that some of the prior year levy is included. Going forward, the new treatment will be consistent and the levy should return to the expected level.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated Funds £	General Funds £	Restricted Funds £	Total Funds £
Debtors	-	11,514	17,660	29,174
Bank	84,700	84,622	99,960	269,282
Creditors due within one year	(1,000)	(11,421)	(41,819)	(54,240)
	<u>83,700</u>	<u>84,715</u>	<u>75,801</u>	<u>244,216</u>

16. PENSION COMMITMENTS

Part of the salary of two staff members is paid in the form of contributions to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,041 (2016: £9,241).

During the year, all staff were auto-enrolled into a workplace pension scheme, but all staff then opted out and those who were in the original scheme continued to be part of that.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	80,591	734,744	815,335
Charitable activities	30,167	-	30,167
Other trading activities	-	-	-
Investments	265	-	265
TOTAL	<u>111,023</u>	<u>734,744</u>	<u>845,767</u>
EXPENDITURE ON:			
Raising Funds			
Costs of generating voluntary income	15,601	-	15,601
Charitable activities			
Grant-making	35,501	495,357	530,858
TFN UK Events	76,383	45,000	121,383
TFN International	-	79,372	79,372
TOTAL EXPENDITURE	<u>127,485</u>	<u>619,729</u>	<u>747,214</u>
Net income/(expenditure) before transfers	(16,462)	115,015	98,553
Transfer between funds	34,890	(34,890)	-
NET MOVEMENT IN FUNDS	<u>18,428</u>	<u>80,125</u>	<u>98,553</u>
RECONCILIATION OF FUNDS			
TOTAL FUNDS AT 1 APRIL 2016	100,470	38,952	139,442
TOTAL FUNDS AT 31 MARCH 2017	<u>£118,898</u>	<u>£119,077</u>	<u>£237,975</u>