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**REGISTERED COMPANY NUMBER: 05537547 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1123384**

**REPORT OF THE TRUSTEES AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2018 FOR FOUNDATION FOR SOCIAL IMPROVEMENT (A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

05537547 (England and Wales)

**Registered Charity number**

1123384

**Registered office**

The Grayston Centre  
28 Charles Square  
London  
N1 6HT

**Trustees**

E L Harrison	Chairman of Trustees
L G G Allen	Treasurer (Resigned 16 June 2018)
G A Precey	(Resigned 1 June 2018)
G Spillane	
G J Griffin	
B Watkinson	
N Z Rashid	
A Minford	

**Independent Examiner**

White Rose Accounting for Charities  
The Ghyll  
Threapland  
Aspatria  
CA7 2EL

## REPORT OF THE TRUSTEES FOR THE 12 MONTHS ENDED 30 JUNE 2018

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2018. The trustees have adopted the provisions 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### OBJECTIVES AND ACTIVITIES

#### Objectives and aims

The charity's objects are:

**(A)** to promote the efficiency and effectiveness of charities and the voluntary sector for the benefit of the public and the promotion of the effective use of resources for charitable purposes by charitable and non-charitable bodies, in particular but not exclusively by providing or assisting in the provision of training, administrative and support services and by facilitating partnerships and co-operation in the voluntary sector.

**(B)** the prevention or relief of poverty and the relief of those in need by reason of youth, age, financial hardship or other disadvantage, by making grants of money to individuals, charities or other organisations for providing or paying for goods, services, facilities or other appropriate assistance.

#### Significant activities

Through the development of the annual Business Plan (which derives from the strategic plan, which is also reviewed by the Trustees on an annual basis) we review our activities against our aims and objectives each year. We also survey our beneficiary base biennially, which takes the form of the new Charity Sector Skills Survey. (The most recent survey was published in June 2017.) At the time of writing this report we are undertaking the 2018/19 Skills Survey to be published in 2019.

### MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSE FOR THE PUBLIC BENEFIT

#### Charitable Activities and Achievements

The FSI continues to play a vital role within the capacity building support network for small charities in the UK and the Trustees are committed to improving this support year on year.

In 2017/18 the FSI widened its range of training building on our 2016/17 webinar programme to increase our online learning opportunities, giving access to as many of our 6,393 members as possible. The online learning opportunities are particularly helpful to smaller charity members who may be run by volunteers or are unable to take time away from the charity. Equally members whose staff have access issues have welcomed the online learning opportunities as well as those members who are based in rural locations where transport to learning events is problematic.

The number of learning opportunities increased in 2017/18 to 9,724, with an estimated total value to the sector of £3.08 million.

In July 2017/18 we launched the members learning platform which has proved to be a huge success as members can now easily access training via one portal. They are also able to undertake all administration surrounding learning from this one source, as well as having the ability to run reports and keep track of the learning they are undertaking through the FSI.

### ACHIEVEMENT AND PERFORMANCE

#### Learning

##### Training

We delivered just 1,957 delegate places on full and half day training programmes in 22 locations across the UK. Immediately after training courses, delegates were reporting an increase in theoretical knowledge, an increase in practical skills, and an increase in their confidence. 100% of attendees rated the trainer

## REPORT OF THE TRUSTEES FOR THE 12 MONTHS ENDED 30 JUNE 2018

knowledge as good/excellent and 97% said they would recommend the FSI courses to other charities.

### Workshops

During this financial year we delivered 469 delegate places on 1.5 hour workshops in 17 locations across the UK. Workshops are aimed at the very smallest charities; those just starting to look at how they fundraise and which types of fundraising are a 'best fit' for their charity.

### Online Learning

We delivered a range of short 30 minute and 90 minute webinars to over 872 participants which supported our research that small charities need to be offered a blended learning experience that includes videos, short webinars and longer more interactive webinars that enable all small charities, no matter the size, location, or whether led by staff or volunteers to take part. A new addition to our offer in 2017/18 was the delivery of six short videos targeted for small charity Trustees, based on the Charity Commission publication, the Essential Trustee. These, together with the fundraising refresher video series, were downloaded 3,387 times.

### Conferences

Our conference programme remains popular and we delivered 458 delegate places across our Fundraising Conferences and Skills Conference, delivering our first Northern Fundraising Conference in Leeds.

### Advice Hub

We moved from Advice Clinics to a Volunteer Advice Hub in 2017/18. The Hub was launched in June 2017, matching expert volunteers to support members in need of one-to-one advice on a range of topics. As of 30 June 2018, the Advice Hub had 17 volunteer advisors and 108 members had received one-to-one advice.

### Influencing for the Small Charity Sector

This continues to be a significant part of our work on behalf of our members.

### Small Charity Week

Small Charity Week 2018 was again a very successful event, with 1,700 charities across the country taking part in over 50 events and initiatives. I Love Small Charities Day trended on Twitter, with #SmallCharityWeek trending for over 11 hours, breaking the 7 hour record from 2017. Over 300 organisations signed up to the Thunderclap and this gave us a social media reach of over 2.14 million, up from 1.8 million in 2017. An excellent first day of the week. On Big Advice Day we delivered 456 hours of advice at City Hall London and a further 650 hours of advice in 7 other locations run across the UK. We hosted 70 charities at a reception in the Churchill Rooms to support the launch of the Essential Trustee video series and held a roundtable in the House of Lords to discuss collaboration within the international development community. The day also included 6 events hosted by local authorities across the UK to engage charities in their areas. Fundraising Day saw 210 small charity delegates attending the Fundraising Conference, and in partnership with PayPal Giving Fund and eBay for Charity, the Give at Checkout competition raised £6,138 for small charities. We also partnered with LocalGiving to enable 220 small charities to raise over £65,000 for their causes. The week was rounded off on the Friday with the announcement of winners, runners up and highly commended in the Small Charity Big Impact Awards and our members were encouraged to undertake their own events on the Saturday. Once again Small Charity Week met its aims of raising awareness of the amazing work of small charities across the UK and across the globe.

### Small Charity Index

The Small Charity Index provides evidence-based data to support both the voice of the small charity sector in the UK and to inform/influence decision makers when deciding forward legislation and policy that will affect small and local charities and community groups in the UK. In 2017/18 we ensured local information was

## REPORT OF THE TRUSTEES FOR THE 12 MONTHS ENDED 30 JUNE 2018

available through the website so that members can use the information collected through the Index to influence in their local areas.

### Research

This year the FSI supported Lloyds Bank Foundation in their launch of 'The Value of Small' research. We also started the process of collecting data for the 2018/19 Skills Gap Survey.

### Membership

The membership of the FSI increased to 6,393 at the end of June 2018. This was an increase of 1,322 on the previous year. Members were surveyed in May 2018 to ensure that the FSI was fully compliant with the new General Data Protection Regulation.

## FUTURE DEVELOPMENTS

The Trustee Strategy for 2017/18 is:

- We will deliver maximum access to services that facilitate members to thrive
- We will build skills and knowledge across the sector
- We will provide a collective voice to influence locally and nationally
- We will work collaboratively with others to champion our members and the wider sector
- We will campaign to drive change that benefits our members and the wider sector
- We will ensure the FSI is efficient, open and transparent, accountable and sustainable.

## FINANCIAL REVIEW

This year the FSI continued to diversify its income streams delivering a realistic balance between earned and voluntary income. In subsequent years, the FSI needs to ensure its earned income is diversified further, extending the delivery of products such as training packages to ensure that we are not as reliant on consultancy income.

### Reserves Policy

The Trustees agreed to use reserves to deliver against

the Trustee Strategy of investing in the development of online learning opportunities (video and webinar technology). Also continuing the annual investment in the online learning platform. Therefore, the Trustees set the reserves level of unrestricted reserves at approximately the equivalent to the charity's organisation expenditure for three months.

The trustees will also from time to time apply unrestricted reserves to specifically designated funds when considered appropriate. However, if necessary, access to the designated funds will be permissible for the general meeting of the charity. Restricted funds given to the FSI for a specific, identifiable purpose will not be accessible for the general running of the charity. Our Accounts show that the FSI had an operative deficit in 2017/18 of (£6,169) which was entirely due to planned investment in our online capabilities as well as continued support to transition from a hosted charity to independently providing accommodation and related costs.

The Trustees of the FSI are confident that the charity is in a sound financial position with total funds brought forward of £187,216.

## PUBLIC BENEFIT STATEMENT

We have taken the Commission's public benefit guidance into account when making any decisions around the activities delivered by the charity to its beneficiaries. Our current development programme continues to contribute to the aims and objectives as set out in our governing document. Our main activities throughout the year have been to support the development of learning, support services and encouraging closer collaboration to ensure that our beneficiaries, small charities (as defined in our governing document), become accountable, efficient, effective and self-sustaining. Our activities reflect our purposes as set out in our governing document and comply with what our charity has been set up to achieve. To ensure that as many small charities as possible access

our services, this year the FSI has advertised through the FSI website, increasingly through closer collaboration with other infrastructure bodies i.e. local Councils of Voluntary Services, media opportunities (articles in sector specific publications, press releases, Twitter campaigns, Facebook pages and public speaking activities). Small Charity Week, brought to the sector by the FSI, continues to be an awareness opportunity for the FSI to advertise its support services to small charities.

**Small company provisions**

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities'.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. This report has been prepared in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees and signed on its behalf:



E L Harrison - Trustee  
5 March 2019

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FOUNDATION FOR SOCIAL IMPROVEMENT

### Independent examiner's report to the trustees of the Foundation for Social Improvement ('the Company')

I report on the accounts of the Company for the year ended 30 June 2018, which are set out on pages 9 to 14.

#### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### Independent examiner's statement


In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



White Rose Accounting for Charities, The Ghyll,  
Threapland, Aspatria, CA7 2EL

Date: **XX**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

NOTES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2018	TOTAL FUNDS 2017
	£	£	£	£
<b>INCOME &amp; ENDOWMENTS FROM</b>				
Donations and legacies	71,949	36,520	<b>108,469</b>	98,924
Charitable activities	142,666	-	<b>142,666</b>	263,512
Other	372,848	-	<b>372,848</b>	63,312
<b>Total</b>	<u>587,463</u>	<u>36,520</u>	<u><b>623,983</b></u>	<u>425,748</u>
<b>EXPENDITURE ON:</b>				
Raising funds	35,452	-	<b>35,452</b>	99,067
Charitable activities	506,174	-	<b>506,174</b>	340,767
Governance	3,285	-	<b>3,285</b>	10,195
Other	85,240	-	<b>85,240</b>	68,785
<b>TOTAL</b>	<u>630,152</u>	<u>-</u>	<u><b>630,152</b></u>	<u>518,814</u>
Net (expenditure)/income	<u>(42,696)</u>	<u>36,520</u>	<u><b>(6,169)</b></u>	<u>(93,066)</u>
Total funds brought forward	193,385	-	<b>193,385</b>	286,451
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>187,216</u></u>	<u><u>-</u></u>	<u><u><b>187,216</b></u></u>	<u><u>193,385</u></u>



**BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2018**

	<b>NOTES</b>	<b>2018</b>	<b>2017</b>
<b>FIXED ASSETS</b>		<b>£</b>	<b>£</b>
Tangible assets	7	<b>1,617</b>	2,425
Intangible assets		<b>3,415</b>	6,829
		<b>5,032</b>	9,254
<b>CURRENT ASSETS</b>			
Debtors	8	<b>122,863</b>	59,500
Cash at bank and in hand		<b>83,529</b>	154,434
		<b>206,391</b>	213,934
<b>CREDITORS</b>			
Amounts falling due within one year	9	<b>(24,207)</b>	(29,803)
<b>NET CURRENT ASSETS</b>		<b>182,185</b>	184,131
<b>NET ASSETS</b>		<b>187,216</b>	193,385
<b>FUNDS</b>	10		
Restricted funds		<b>21,000</b>	-
Unrestricted funds		<b>166,216</b>	193,385
<b>TOTAL FUNDS</b>		<b>187,216</b>	193,385

**BALANCE SHEET Cont. AS AT 30 JUNE 2018**

The charitable company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary charitable companies for the year ended 30 June 2018.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2018 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees and were signed on its behalf by:



E L Harrison  
Chairman of Trustees

Date: **5 March 2019**

### (1) ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, had been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Tangible fixed assets**

Depreciation is provided in order to write off each asset over its estimated useful life.

Fixtures and fittings - 3 years straight line

Computer equipment - 3 years straight line

Software - 3 years straight line

#### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

#### **Funding accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

#### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

#### **Going concern**

The principle risk facing the charitable company is its ability to generate sufficient income to cover expenditure incurred in fulfilling the objectives of the charitable company. The trustees have reviewed the cash position of the charitable company and cash forecasts at the date of signing the accounts and are satisfied that the charitable company will be able to meet all of its financial commitments.

As a consequence the trustees believe that the charitable company is well placed to manage its financial risks successfully despite the current uncertain economic outlook and that the charitable company has adequate reserves to continue in operational existence for the foreseeable future. Accordingly the trustees continue to adopt the going concern basis in preparing the accounts.

## NOTES TO THE FINANCIAL STATEMENTS Cont. FOR THE YEAR ENDED 30 JUNE 2018

### (2) NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:		<b>2018</b>	<b>2017</b>
		£	£
Depreciation - owned assets	<b>Note 7</b>	<b>808</b>	2,192
Independent examination		<b>550</b>	1,500
		<u><b>1,358</b></u>	<u>3,692</u>

### (3) TRUSTEES' REMUNERATION AND BENEFITS

There were no other trustees' remuneration or other benefits for the year ended 30 June 2018 (2017 - £nil)

<b>Trustee's Expenses</b>		<b>2018</b>	<b>2017</b>
		£	£
Trustee's expenses		<b>111</b>	391

### (4) STAFF COSTS

The average monthly number of employees during the year was as follows		<b>2018</b>	<b>2017</b>
		<b>10</b>	8

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

		<b>2018</b>	<b>2017</b>
£80,001 - £90,000		<b>1</b>	1

### (5) TAXATION

The company is a registered charity and is, therefore, exempt from taxation

### (5) 2017 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>Income and endowments from</b>			
Donations and legacies	<b>13,476</b>	<b>85,448</b>	98,924
<b>Charitable activities</b>			
Consultancy	<b>207,289</b>	<b>56,223</b>	263,512
Other income	<b>63,312</b>	-	63,312
<b>TOTAL</b>	<b>284,077</b>	<b>141,671</b>	425,748

**2017 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES Continued**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>EXPENDITURE FROM</b>			
Raising funds	99,067	-	99,067
Charitable activities	276,076	143,671	419,747
<b>TOTAL</b>	<u>375,143</u>	<u>143,671</u>	<u>518,814</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>(91,066)</u>	<u>(2,000)</u>	<u>(93,066)</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	284,451	2,000	286,451
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>193,385</u></u>	<u><u>-</u></u>	<u><u>193,385</u></u>
<b>(7) FIXED ASSETS</b>			
<b>TANGIBLE FIXED ASSETS</b>			
<b>COST</b>			
At 1 July 2017			58,958
Additions			<u>0</u>
At 30 June 2018			58,958
<b>DEPRECIATION</b>			
At 1 July 2017			56,533
Charge for year			<u>808</u>
At 30 June 2018			57,341
<b>NET BOOK VALUE</b>			
At 30 June 2018			1,617
At 30 June 2017			2,425

**FIXED ASSETS Continued**

	Total funds
	£
<b>INTANGIBLE FIXED ASSETS</b>	
<b>COST</b>	
At 1 July 2017	10,244
Additions	0
At 30 June 2018	<u>10,244</u>
<b>DEPRECIATION</b>	
At 1 July 2017	3,415
Charge for the year	3,415
At 30 June 2018	<u>6,829</u>
<b>NET BOOK VALUE</b>	
At 30 June 2018	3,415
At 30 June 2017	6,829

**(8) DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 June 2018	30 June 2017
	£	£
Trade debtors	79,344	48,236
Other debtors	43,519	11,264
Prepayments and accrued income	-	-
	<u>122,863</u>	<u>59,500</u>

**(9) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Trade creditors	895	2,948
Taxation and social security	17,882	16,745
Other creditors	4,880	8,610
Accruals and deferred income	550	1,500
	<u>24,207</u>	<u>29,803</u>

**(10) ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	2018 Total Funds	2017 Total Funds
	£	£	£	£
Fixed assets	5,031	-	5,031	2,425
Current assets	170,141	36,250	206,391	220,763
Current liabilities	(24,207)	-	(24,207)	(29,803)
	<u>150,966</u>	<u>36,250</u>	<u>187,216</u>	<u>193,385</u>

**(11) MOVEMENT IN FUNDS**

	At 1/7/17	Income	Expenditure	Transfer	At 30/6/18
	£	£	£	£	£
<b>Unrestricted funds</b>					
Restricted fund	-	-	-	-	-
Unrestricted fund	193,385	623,983	(630,152)	-	187,216
<b>Total funds</b>	<u>193,385</u>	<u>629,983</u>	<u>(630,152)</u>	<u>-</u>	<u>187,216</u>

**(12) RELATED PARTY DISCLOSURES**

**Controlling entity**

The charitable company is controlled by the Trustees of the charity who for the purposes of Company Law are also directors of the company.

**Related party transactions**

There were no related party transactions for the year ended 30 June 2018.

**(13) MEMBERS' LIABILITY**

The charitable company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The Grayston Centre  
28 Charles Square  
London  
N1 6HT

020 7324 4777

**[www.thefsi.org](http://www.thefsi.org)**

March 2019

Charity registration number 1123384