



FUNDRAISING
REGULATOR

Annual report and accounts 2023/24

Annual report and financial statements
for the year ended 31 August 2024

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Introduction

About the Fundraising Regulator

The Fundraising Regulator is the independent regulator of charitable fundraising in England, Wales, and Northern Ireland. We set the standards that apply to charitable fundraising across the UK through the Code of Fundraising Practice.

We also regulate fundraising in Scotland when it is carried out by charitable institutions where the lead regulator is the Charity Commission for England and Wales (CCEW) or Northern Ireland (CCNI). Fundraising by those only registered with the Office of the Scottish Charity Regulator (OSCR) in Scotland is subject to adjudication by the Scottish Fundraising Adjudication Panel.

[Visit our website](#) for more about us and the scope of our regulation.

OUR STRATEGIC PLAN 2022-2027

We are committed to delivering independent self-regulation that ensures public protection, accountability, and excellence in fundraising now and into the future.

Our strategic objectives are:

1.

To deliver intelligent fundraising regulation that protects the public.

2.

To inform the public about principled fundraising.

3.

To support fundraising organisations to thrive.

4.

To be a highly effective organisation.

We will do this by being:

- **Innovative:** we will keep abreast of digital and wider social developments and how these may shape fundraising into the future.
- **Proactive:** we will improve our capacity to identify fundraising concerns before they crystallise and to prevent harm by early intervention.
- **Intelligent:** we will use our data more intelligently to support the development of the Code of Fundraising Practice and our compliance work.
- **Collaborative:** we will remain a thought leader in fundraising and make sure that fundraisers and the public have a greater voice in developing our policies.

For more information, see the [corporate publications page](#) of our [website](#).

In this year's report, we reflect on the outcomes and objectives set out in our business plan for the financial year 1 September 2023 to 31 August 2024.



A MESSAGE FROM OUR CHAIR LORD TOBY HARRIS

The charitable fundraising sector has faced challenges as the continued cost of living crisis has increased demand on services, while many organisations have seen further increased costs and reduced fundraising income. Additionally, charities have been adapting to new and emerging fundraising methods, and the rise of artificial intelligence (AI), which has presented both new opportunities and challenges for the sector.

As always, we want to thank charities and their partners for showing their support for independent regulation and commitment to fundraising best practice during these times of change and uncertainty through registering with us.

This has been the first full year that we have had our new proactive regulation team. This ensures we can effectively monitor and explore emerging or unaddressed issues about charity fundraising and confront challenges before they crystallise. The team has already been busy working on several projects. However, our first market inquiry into issues arising from the use of subcontractors in face-to-face fundraising was of utmost importance. There have been several high-profile media stories about this, and the issue has threatened to bring the sector into disrepute and harm public trust. The report published as a result of this work has been valuable in sharing learning and has also enabled us to make recommendations that will help mitigate poor fundraising behaviour in the future.

A significant amount of time this year has had to be focused on issues related to fundraising carried out by community interest companies (CICs). A large volume of complaints about CIC behaviour in this respect have been received and there have also been high-profile cases involving CICs in the media. It has been necessary for us to consider these because such fundraising by CICs may be defined as charitable fundraising (and therefore falls within our remit). We know the public finds it difficult to differentiate between fundraising carried out by charities and CICs, so when a CIC engages in poor fundraising behaviour, it can reflect negatively on charities. There is a need for effective regulation of CICs in this area to help protect the reputation of fundraising and maintain public confidence.

Lastly, I want to thank my fellow board members and our co-opted expert committee representatives for their time, service, and input. I also want to thank our executive team and the wider staff team for their devotion and hard work in supporting the charitable fundraising sector in this changing environment, and for protecting the public in light of new and emerging challenges.

A MESSAGE FROM OUR CHIEF EXECUTIVE GERALD OPPENHEIM



This year saw us continue with our work to review the Code of Fundraising Practice (the code) ahead of the launch of the new version in 2025. In autumn 2023, we ran our first 12-week consultation seeking the sector's views on our proposals to update the code. This included carrying out engagement events with key partners in England, Wales, Northern Ireland, and Scotland to ensure the consultation had a wide reach. Since then, we have redrafted the code to make it more principles-based while retaining clear rules – taking account of the feedback we received during the consultation process – and prepared a final eight-week consultation on the new framework. In early 2025 we will launch the new code and guidance alongside a programme of training and support for the sector.

Following the trend of recent years, our complaints caseload has continued to rise, and we have seen a further increase in the use of our self-reporting pathway by charities. It is encouraging to see that 31 organisations submitted self-reports to us this year (an increase from the 20 we had last year) as it enables us to have constructive conversations with these organisations to help resolve issues and improve fundraising best practice.

We commissioned research by Opinium this year on the public's experience and expectations of charitable fundraising. The findings were encouraging, showing a positive picture of charities when it comes to public trust and individuals believing that charities will deliver on their promises. It was also clear from the results that ways of giving where an individual had more control, such as lotteries, and prize draws, were generally viewed positively, whereas more direct approaches, such as door-to-door, and public fundraising, were seen more negatively. Encouragingly, two-fifths of respondents said that the existence of the Fundraising Regulator would make them more likely to trust regulated charitable fundraisers. This demonstrates the value of charities paying the annual levy or registering with us and displaying the Fundraising Badge to show they are committed to fundraising best practice.

This year we sought feedback on proposals to increase the Fundraising Levy (the levy) and registration fee for the first time since we were set up in 2016. An increase in the levy was needed to meet a rising caseload, achieve our strategic goal of being a more proactive regulator, and to put us on a sustainable footing for the future. We proposed to increase the levy in a way that is fair and proportionate, so that the largest charities with the highest fundraising spend would see the greatest increase in their levy payments. In response to sector feedback, our board recognised the impact the current economic climate is having on charities and agreed that although the levy will have to go up for the first time in eight years, the proposed increases would be phased in over two years (in September 2024 and September 2025) instead of in one increase as originally proposed.

We have also begun work on several projects this year to help us meet our strategic priorities, which will continue into the next business year. This included beginning to review the contractual arrangements for our Fundraising Preference Service (FPS), introducing a new digital Fundraising Badge (allowing registered organisations to link directly to their entry in our Directory), and reviewing our website to ensure both charities and members of the public can find the information they need as quickly and easily as possible.

I would like to thank all the regulators, the government departments, the Chartered Institute of Fundraising (CIOF) and other sector bodies that we work closely with in England, Wales, and Northern Ireland to protect the public and support fundraisers. I would also like to thank the Scottish Fundraising Adjudication Panel and the Office of the Scottish Charity Regulator (OSCR) for their support and collaboration on fundraising issues in Scotland.

Lastly, I look forward to continuing to work with all the charities, fundraisers, and organisations registered with us to promote excellence in fundraising now and in the future.

OVERVIEW 2023/24

Sept
2023

Launched first code consultation on proposals to update the Code of Fundraising Practice.

Oct
2023

Launched first market inquiry into the use of subcontracting in face-to-face fundraising.

Nov
2023

Published Annual Complaints Report 2022/23.

Nov
2023

Supported Charity Fraud Awareness Week.

Nov
2023

Supported Trustees' Week.

Dec
2023

Encouraged the public to give safely at Christmas.

Dec
2023

Ran the levy review for proposals to increase the Fundraising Levy.

Feb
2024

Announced changes to the way we report on complaints data from charities in our Annual Complaints Report.

Mar
2024

Encouraged safer giving at Ramadan.

Mar
2024

Published market inquiry report into the use of subcontracting in face-to-face fundraising.

Apr
2024

Made changes to how we list charities who have breached the code in relation to the Fundraising Preference Service (FPS).

Apr
2024

Announced changes to the Fundraising Levy following our review.

May
2024

Published research on the public's experience and expectations of charitable fundraising.

July
2024

Encouraged safer giving in response to the attack in Southport, working closely with other organisations involved.

July
2024

Launched review of changes to non-charity fees.

August
2024

Published new guidance on working with commercial participators and professional fundraisers.

IN NUMBERS 2023/24

Casework

1,191

incoming cases
(5% increase)

92%

of cases completed
and closed within
four weeks

Registration

6,600

Nearly
registrants
(8% increase)

98%

of the Fundraising Levy
collected from 2,108 charities

Code Advice Service

680

Almost
incoming enquiries
(9% decrease)

97%

enquiries completed
and closed within 7 days

Fundraising Preference Service (FPS)

2,350

Almost
unique FPS public
users in the year
(15% increase)

7,300

Over
FPS suppressions made
(7% increase) with a third
being made on behalf of
someone else and around
630 made on behalf
of someone who
has died

1,000

Over
charities with at least
one FPS suppression
(5% increase)

Media and press

1,582

total pieces of coverage
(699% increase)

78

mentions in the
national press

19

broadcast features
(217% increase)

Directors' report

In our Strategic Plan 2022-2027 our four strategic objectives are:

1.

To deliver intelligent fundraising regulation that protects the public.

2.

To inform the public about principled fundraising.

3.

To support fundraising organisations to thrive.

4.

To be a highly effective organisation.

1.

DELIVERING INTELLIGENT FUNDRAISING REGULATION THAT PROTECTS THE PUBLIC

We have taken steps to increase our knowledge and understanding of how the fundraising sector is changing so that we can target our regulation in the most effective ways. We continue to operate an open and accessible complaints service that offers the public independent investigation of their complaints and assistance in getting them resolved. We also want to make sure we understand and keep ahead of developments in digital fundraising, the use of new technologies, and how fundraising is changing more broadly.

Incoming and closed casework

In 2023/24, we received 1,191 incoming cases overall – a 5% increase on 2022/23 (1,137 cases). We closed 1,140 cases in this reporting period (of which three were received in the previous financial year).

We closed 92% of cases within four weeks, where our target was completing 90% of cases within four weeks of receiving a complaint.

These figures include a small number of self-reported cases. In 2023/24, we received 31 self-reports (an increase of 55% from the 20 organisations in 2022/23), 12 of which were received in the last quarter of the year. Some were prompted by press stories identifying poor door-to-door fundraising activity carried out by subcontracted fundraising agencies. This resulted in us opening an investigation into the activity identified.

In 2023/24, 467 of the 1,140 cases were closed as outside our remit. This is 41% overall, which is a slight decrease on 2022/23 (45%). Some of the complaints that we classify as outside of our remit may relate, in part, to charitable fundraising. However, there are aspects to the case that mean it is more appropriate for another regulator or organisation to consider them – such as concerns about wider governance or fraud.

Code review 2022–25 and code consultation

In October 2022, we launched a two-year process of reviewing and updating the Code of Fundraising Practice (the code). The last code review took place in 2018/19, and was largely focused on clarity, length, and accessibility. Since then, changes in legislation, technology and fundraising behaviour have created an environment in which the code requires a full review to ensure it stays up to date, reflects best practice, and remains clear, and accessible.

In September 2023, we ran a 12-week public consultation to gather feedback on our proposals to update the code and make it more principles-based, in common with the approach increasingly taken by other regulators. During the consultation period, we held a series of in-person and online engagement events with key stakeholders to encourage participation and raise awareness of our consultation, including events in England, Wales, Northern Ireland, and Scotland.

The consultation closed on 1 December 2023 and received over 4,500 comments on our proposals from over 150 organisations. We redrafted the code taking into account feedback from the consultation – alongside legal advice – which our internal committees and board then approved for a final consultation in September 2024. This second consultation closed on 1 November 2024, and we received 666 responses from 129 organisations. Pending review of the feedback from the consultation, the new code will be launched in early 2025, alongside a timetable for implementation.

Market inquiry into subcontracting in face-to-face fundraising

In October 2023, we launched our first market inquiry to investigate issues related to the use of subcontracting in face-to-face fundraising by charities and fundraising agencies. This followed intelligence from complaints, self-reports, and in the press about poor fundraising practice by subcontracted agencies. As part of the inquiry, we conducted desk research, and engagement with charity regulators and sector bodies, which we followed with a series of five fact-finding workshops. The workshops were well attended by senior representatives from charities and fundraising agencies.

In March 2024, we published a report sharing our findings from the market inquiry. The report evaluated feedback from the workshops, analysed workshop discussions, and outlined our proposed next steps. The main recommendations were:

- There needs to be a clear line of sight from charity trustees throughout the subcontracting chain.
- Firms should be monitored and overseen more closely and receive appropriate training.
- Charities and agencies need to be satisfied that the payment model for fundraisers is appropriate and does not lead to bad practice.
- Although there were many examples of good practice, and a widespread willingness to do the right thing, both charities, and agencies need to tighten their contracts and focus more on due diligence and contract management.

Following the publication of the report, we have been working with the Chartered Institute of Fundraising (CioF) and the Charity of Commission for England and Wales (CCEW) to help support updated guidance and ensure consistency for the sector. The learnings from the inquiry have informed drafting the new Code of Fundraising Practice. The new code, and accompanying code compliance guidance on due diligence and monitoring partnerships, complement, and align with the principles expressed in the inquiry report.

Other proactive regulation projects

This has been the first full year of the Fundraising Regulator's proactive regulation function, following the appointment of our first Head of Proactive Regulation and Projects in May 2023 and the subsequent appointment of two other team members.

Proactive regulatory projects respond to identified issues with the aim to minimise the risk of potential harm to the public through advice and support to the sector. They are always collaborative, and sector-focused, and commonly incorporate workshops, and working groups.

The launch of proactive projects comes from intelligence, so the focus this year has been to lay the foundations for robust intelligence gathering, and to build collaborative networks with other regulators and sector bodies. We have started to refine our internal intelligence sources, such as the use of our customer relationship management (CRM) system, and to deliver our external stakeholder engagement plan. We have developed a formalised bi-monthly Intelligence Report, which we use to identify trends and emerging issues, which in turn are analysed and considered for proactive regulatory projects.

In addition to the market inquiry, we have started proactive regulatory projects into the marketing of child sponsorship, cash collections at private sites (most notably supermarkets) and have convened and chaired multi-agency working groups about the regulation of CICs. With these foundations in place, the proactive team is well set to build further collaborative relationships with fundraisers and regulators to help ensure safe fundraising and best practice into the future.

Research on the public's experience and expectations of charitable fundraising

In September 2023, we commissioned Opinium to conduct research into the public's perceptions, experience, and expectations of charitable fundraising. The sector has access to a great deal of information about how people give, and which causes they support, but little is known about the public's real-world experience of fundraising practice. In our role as a regulator, we are committed to using public research to underpin and inform our work. Understanding the motivations and experiences of those who support charities is an important part of this.

Opinium conducted a comprehensive mixed-method research programme, including surveying a representative sample of 3,000+ UK adults. We were heartened to find that overall charities perform well when it comes to public trust, with half of those surveyed generally trusting charities to deliver on what they promise. We were also pleased to find that the experience of current donors is good, with around two-thirds of respondents having had a positive experience of supporting charities over the last 12 months.

2. INFORMING THE PUBLIC ABOUT PRINCIPLED FUNDRAISING

When it came to the public's experience of fundraising through different methods, the research showed that donation methods where the individual had more control, such as sponsoring an individual, and lotteries, and prize draws, were generally rated positively. Approaches that were more direct, such as door-to-door, and street fundraising, were seen more negatively.

Encouragingly, two-fifths of survey respondents said that the existence of the Fundraising Regulator would make them more likely to trust regulated charitable fundraisers. This demonstrates the value of charities displaying the Fundraising Badge to show they are committed to best practice when fundraising.

The research also identified significant concern regarding scams and fraud. We regularly run safer giving campaigns in collaboration with the CCEW and Action Fraud, and we will continue to explore opportunities to collaborate with other partners to get this information shared more widely.

The last few years have shown us that people continue to give generously, despite the financial pressures that many of them are under. It is our role to make sure that regardless of whatever fundraising is taking place, standards remain high, and the public continues to be protected. We continue to provide a way for the public to manage their communications with charities through the FPS and promoting the Fundraising Badge as a symbol of commitment to fundraising best practice.

Operating the FPS

The FPS is one of the key services we operate to protect the public, especially vulnerable members of the public. Our FPS website and phone helpline enable people to request charities to stop direct marketing communications.

In 2023/24, 3,083 requests (13% increase on 2022/23) were made by 2,349 unique users (15% increase), resulting in a total of 7,344 suppressions (7% increase). Thirty-six percent of the suppressions were made on behalf of someone else, and 9% of the requests were made on behalf of someone who had died.

Changes to how we list charities that breach the code in relation to the FPS

On our website we publish a list of charities that are in breach of Section 3.2.5 of the Code of Fundraising Practice because they have not logged on to the FPS charity portal to access the requests to stop direct marketing communications. Our approach to FPS compliance was reviewed by our board this year. It was recognised that our casework processes allow for a more nuanced approach than was being applied to FPS breaches. To tackle this, the board agreed that a more proportionate approach to publicly naming charities for code breaches in relation to the FPS would be implemented going forward. This also brings the approach more in line with that taken in casework.

The board decided that charities would not be named on our website until there were at least three uncollected suppressions from the public (previously a charity could be named with only one uncollected suppression). In addition, we would include the names of charities that have accessed the charity portal in the past to collect suppressions but then fail to collect more than three suppressions within the required time later on.

Promoting the FPS – digital marketing

We promote the FPS to the public by undertaking paid search advertising of the FPS through targeted Google Search Ads and Google Display Ads on relevant websites. We also conduct targeted paid social media campaigns using Facebook and YouTube to broaden its reach. As part of these campaigns, we continue to use our animation explaining the FPS to members of the public.

Advice and guidance

Developing advice for members of the public to protect them is an important part of our role. This includes helping them understand fundraising practice so they can make informed decisions on whether to give to a particular charity.

We continue to provide safer giving advice and run campaigns at key holidays and when emergency appeals are launched. In 2023/24, this included safer giving campaigns around Christmas and Ramadan and fraud awareness campaigns in partnership with Action Fraud. We also responded to the attack in Southport in July 2024, where we worked closely with the Charity Commission, National Emergencies Trust, JustGiving and GoFundMe, and the charities involved, to ensure funds were effectively distributed to the families impacted by the tragedy.

Press engagement

In the last year, the Fundraising Regulator has significantly increased its press activity. In 2023/24, we were featured in 1,582 pieces of coverage (a 699% increase on 2022/23 where we were featured in 198 pieces of coverage).

Some of the key themes from our press coverage this year included:

- Replying to several high-profile media stories involving subcontracting in door-to-door fundraising (including discussing our market inquiry into this issue).
- Responding to the bad fundraising practice being undertaken by several CICs.
- Sharing safer giving messaging during times of emergency, such as during the Southport attack.
- Encouraging charities to have robust oversight of their fundraising after several high-profile scams involving individuals fraudulently fundraising for charities were uncovered in the media.

3. SUPPORTING FUNDRAISING ORGANISATIONS TO THRIVE

We maintain the Code of Fundraising Practice (the code) to ensure organisations involved in charitable fundraising can do so in a way that is legal, open, honest, and respectful. We also share learnings through our Annual Complaints Report and summaries of our casework investigations and provide information and guidance through various channels, including our website, media activity, newsletter, and social media, as well as through participating in events.

Casework investigations

We publish summaries of completed casework investigations into potential code breaches to share learning with the sector and the public.

In 2023/24, we opened 16 new investigations, closed five investigations, and published four investigation summaries on our website and in our monthly newsletter. Through four of the five investigations we closed, we were able to identify 19 breaches of the code. In the other investigation we closed we issued regulatory advice to the charity. We had no requests for external review of any closed cases.

The themes covered in the investigation summaries included: pressured fundraising, restricted campaigns, complaints handling, customer service, treating donors fairly, misleading information, no cold-calling signs, vulnerable circumstances, third-party fundraisers, fundraiser behaviour, fundraising licences, causing an obstruction, wearing appropriate identification when engaged in street fundraising and learning from complaints.

Self-reports

During the last year, we received a steady number of self-reports through our self-reporting pathway each month. Since it launched in early 2022, we have had 61 self-reports submitted to us. The self-reports came from 31 organisations in 2023/24, which was an increase of 55% from the 20 organisations that submitted self-reports to us in 2022/23. This year we opened investigations into two self-reports; both were related to separate media articles regarding door-to-door fundraising.

It is extremely helpful to be able to work with charities who make self-reports to us so we can offer support and advice to help them overcome any fundraising difficulties. For most self-reports, the organisations had taken appropriate action to resolve their issues before contacting us. For others, we were able to offer advice and have constructive conversations with the organisations concerned.

The themes of some of these self-reports included handling personal data, charity governance related to fundraising, potential fraud, and vulnerable circumstances of donors. We also received four self-reports about hacking/ransomware cyber security incidents, three of which were from hospices and small hospitals. It is notable that these self-reports were made at a time when there had been a suggestion that these types of incidents within the sector may be on the rise.

Annual Complaints Report

We publish our Annual Complaints Report to share insights and learnings from the Fundraising Regulator's casework and complaints received by 58 of the largest fundraising charities. We also share advice for charitable organisations on how to mitigate and respond to complaints about charitable fundraising.

Insights from 2022/23's report showed that door-to-door fundraising activity had increased since the pandemic. Because of this, we saw a significant increase in complaints about the practice, and for the first time in our reporting, door-to-door fundraising had generated more complaints than any other method. This included both complaints made directly to the Fundraising Regulator (15% of overall complaints) and to the sample of charities surveyed where the number of complaints more than doubled since 2021/22 (one in five overall complaints).

The most common complaints to the Fundraising Regulator after door-to-door fundraising remained consistent with previous years – charity bags and clothing banks, addressed mail, and digital marketing. Online appeals drew the second-highest number of complaints made directly to the sample charities, followed by addressed mail then challenge and sponsorship events.

Changes to the way we report on complaints data from charities

We surveyed over 450 charitable organisations in July 2023 to understand how they currently use the information we share about fundraising complaints in our Annual Complaints Report.

Respondents told us how useful they find the data we share from the sample of charities and the information published about our casework. Respondents made suggestions as to how we could improve reporting this data to ensure it is useful, relevant, and accessible for charities. This included increasing the sample size of charities that submit data to make it more representative of the wider sector (we currently only collect data from some of the largest fundraising charities), presenting data in more accessible and interactive formats, and improving the way we collect data for analysis.

In response to these findings, we have decided to pause the collection of data from charities for part two of our Annual Complaints Report (ACR) for around two years while we develop improvements to the way we share information with the sector. In the meantime, we will continue to report on the complaints we receive from members of the public (ACR part one).

Code Advice Service

We provide one-to-one advice for fundraisers and the public through our dedicated Code Advice Service. In 2023/24, we responded to 679 enquiries (a 9% decrease on the 744 enquiries received in 2022/23) covering a range of issues, including online platforms, events, personal-cause fundraising, lotteries, and licences, and permissions.

We carried out work this year to make our enquiries form for the Code Advice Service more accessible and easier to find on our website to improve user experience. The Code Advice Service has now been given a dedicated space on the website sitting both with the Code of Fundraising Practice and guidance sections on the website.

Guidance and sharing learnings

We continue to share guidance and additional resources for fundraisers on our website and through our monthly newsletter and social media channels.

This year, we published new guidance for charitable organisations who work with commercial participators and professional fundraisers. This was in response to requests made through our code consultation in autumn 2023, where some respondents said they would benefit from guidance in this area. We also regularly receive enquiries about commercial participator and professional fundraiser arrangements through our Code Advice Service. The legislation in this area can be complex, so the guidance aims to simplify the necessary information with helpful examples.

Strengthening our engagement across the UK

We have participated in charity sector events throughout the year to raise awareness of the Fundraising Regulator's work and the code. Events we joined included:

- Chartered Institute of Fundraising – Fundraising Convention 2024 and the Scottish Fundraising Conference
- Scottish Council for Voluntary Organisations (SCVO) - The Gathering
- Wales Council for Voluntary Action (WCVA) - GoFod3
- Association of Charity Independent Examiners Conference
- Charity Practitioners' Forum – Annual training day
- Omagh Forum for Rural Association
- Muslim Charities Convention
- CIMA virtual conference
- Beeston-Clarke Accountants – Charity Chatter
- Supporter Care Forum

4.

BEING A HIGHLY EFFECTIVE ORGANISATION

We delivered extensive engagement activity from September - December 2023 as part of our code consultation, which involved attending events, and webinars in England, Wales, Northern Ireland, and Scotland.

We have strengthened our engagement with the fundraising sector in Wales and Northern Ireland through the work of our stakeholder and policy managers in each of these countries. This has included attending and speaking at events, contributing articles and blogs to sector publications, and working to build effective partnerships with key stakeholders in both the voluntary and public sector.

Establishing a mechanism for engaging fundraisers and fundraising compliance staff to share insights on fundraising practice

This last year we started work to establish a mechanism to proactively engage with fundraising professionals to allow them to share insights on fundraising practice and have a voice in our policy work. We have been liaising with the Chartered Institute of Fundraising (CloF) to explore ways of engaging with its existing networks of fundraisers on such topics as reviewing new guidance and discussions about emerging issues and challenges in the sector. The new process is expected to be up-and-running in 2025.

We continue to carefully monitor our expenditure to ensure we are offering value for money and make efficiencies where possible. We are keenly aware of how we are funded through the Fundraising Levy and registration scheme and take our budgeting responsibilities seriously. We are sensitive to the wider societal and political environment in which we operate and our position as a regulator in this context. This means we take matters such as sustainability and equality, diversity, and inclusion seriously and continuously strive to make improvements in these areas.

Our registration scheme and the Fundraising Levy

Payment of the Fundraising Levy and registration fees for smaller charities is the primary means of funding for the Fundraising Regulator. The cost of the levy is shared among charities who spend the most on their fundraising activity (those that spend more than £100,000 on fundraising activities annually). The levy has historically represented around 90% of our overall income and it funds our core activities, which include running our Code Advice Service and the FPS, handling and investigating complaints, and maintaining the code and guidance.

We are pleased to report that we collected nearly 98% of the levy in this financial year from 2,108 charities. This consistently high payment rate of the levy over the past five years demonstrates that our regulation is now an established part of the fundraising landscape, and our fee is an accepted cost of business.

However, around 2% of those eligible to pay the levy (61 charities) refused to pay. It is disappointing that a small minority of charities do not recognise their collective responsibility to fund independent regulation of fundraising. It is also unfair to those charities who do pay. We will continue to work alongside statutory regulators and sector bodies to make it clear that the levy should be paid by all fundraising charities spending more than £100,000 on fundraising as a matter of fairness. Choosing not to contribute does not only affect the charity concerned; it means that our regulation and services, which are beneficial to all fundraising organisations and the wider public, will be underfunded.

We exceeded our target of 6,500 registered bodies this year (which includes the 2,108 levy payers). Our total registrations – 6,553 by 31 August 2024 – is an increase of 8% on the previous year (6,056 registrations). This year, we once again found that smaller charities are increasingly recognising the value of voluntary regulation, as we saw a significant increase in their registrations: up 19%, or 680 charities.

We have invited non-charity organisations to register with us since early 2017 as we recognise the value and role that they play in the fundraising sector. We currently have approximately 190 non-charities registered, and they contribute about 6% of our income (approximately £230,000). Organisations engaged in newer forms of fundraising have registered, for example online fundraising platforms and some of those running free prize draws from which charities benefit.

Fundraising Levy and registration fees changes

This year, we conducted a review of the Fundraising Levy (the levy) and registration fee for the first time since our creation in 2016. A rise in the levy has been necessary for us to meet an increasing caseload demand, achieve our strategic goal of being a more proactive regulator, and remain sustainable for the future.

In December 2023, we launched a review on proposals to increase the levy for all applicable charities, but proportionately more for charities that spend a greater amount on their fundraising. We also proposed an increase to the fee for small charity registration from £50 to £60 to reflect a rise in our processing costs since 2016.

We received 222 responses to the review from across the sector. We found that 51% of respondents supported our proposals to increase the levy, but that 70% of levy payer respondents (representing 3.6% of all current levy payers) were opposed to our plans. Many respondents who were against the proposals shared a common concern about the size of the increase at a time when charities are facing significant financial pressures. Some also raised concerns about our plans to increase the levy annually in line with inflation in future.

Recognising these concerns, our board agreed that although the levy will need to go up for the first time in eight years, the proposed increases should be phased in over two years instead of one. The board also decided that from September 2026, the levy will increase in line with inflation, but that it will carefully reflect on any such increases when considering and setting each year's budget.

Non-charity fee changes and review

In July 2024, we conducted a review on our proposals to increase the fees non-charities (mainly commercial companies) pay to help fund our work, to give affected organisations the opportunity to feedback on our proposals.

Non-charities benefit from our regulation in the same way that charities do, so we set out plans for an increase in those fees consistent with those which were applied to charities. Subject to the review, we expect any revised fees to take effect in January 2025.

Based on the responses to the review, we have published a summary of our decision to raise fees.

Increased costs

This year the Fundraising Regulator funded a deficit budget using underspending from previous years that had been delayed. The effect of this was to run down our reserves to a more optimal level. Increased costs this year included the cost of establishing and increasing the work of our proactive regulatory function, including running projects postponed from 2022/23 while we recruited our new Projects Manager. Other large projects that have contributed to these increased costs include the implementation of casework audit review recommendations and the code review (including attending external events as part of the engagement exercise for the code consultation). We have also seen more unexpected recruitment costs over the past year, as staff turnover has been higher than previous years leading to increased recruitment costs.

Developing our sustainability policy

To support our strategic plan, we implemented a sustainability policy in February 2024 as part of our commitment to maintaining and promoting environmental sustainability, both in and outside the workplace, and reducing the negative environmental impact from our operations. The new policy meant we made improvements in our use of materials and resources as well as waste management. We will proactively review our operations in line with the policy to maintain our commitment to environment sustainability.



Governance report

OUR GOVERNANCE FRAMEWORK

Governance structure

The Fundraising Regulator is a registered company limited by guarantee in England and Wales and without a share capital, which is governed by articles of association. We have a non-executive Board of Directors, which is responsible for overall control and strategic direction, and whose members are drawn from both within and outside the charitable fundraising sector. The board is led by a chair, who is supported by a vice chair, and is guided by recommendations from three committees:

- the Complaints and Investigations Committee
- the Finance, Audit and Risk Committee; and
- the Standards Committee.

The committees have external members (who are co-opted because of relevant skills) and some have observers (who contribute intelligence and advice, but do not have a decision-making role). The board and each committee meet at least four times every calendar year. The board also has an annual strategy day.

The board is supported by an executive function, led by the chief executive. Day-to-day operation is delegated by the board to the senior management team (see page 50).

Futures Working Group

The Futures Working Group is a steering group that was launched in 2023 and met three times during 2023/24. The group reviews how we can regulate fundraising in a way that includes, among other things, artificial intelligence (AI), data, and digital developments in the delivery of our core services.

The group also aims to ensure that our work is at the forefront of AI, data, and technology regulation as it applies to our remit.

Articles of association and terms of reference

Our articles of association are supported by terms of reference, which outline the role, and responsibilities of the board and committees. All terms are reviewed once every two years. The board's articles, terms, and recent meeting summaries are available on the [governance pages](#) of our website. Committee terms of reference are available on request.

Recruitment and appointment

All board directors and external committee members are appointed through open competition following a skills gap analysis. Recruitment is either carried out in-house or outsourced to an agency, and careful consideration is given on how to encourage applications from under-represented groups. Shortlisting and interviews are carried out by a panel of board members. References are required and all appointees must follow the ['Seven Principles of Public Life'](#). Board and external committee members are normally appointed for three-year terms, with successive terms being permitted up to a maximum of nine years and, in exceptional circumstances, for a tenth year.

Committee and board recruitment 2024

We rely on the voices of fundraisers on our committees and within our board to guide our board on decisions and strategy. This year we have been recruiting to fill several vacancies on our committees and board to replace a number of long serving members who have come to the end of their terms of appointment. We are committed to diversity, equality and inclusion and want all those involved in our governance and our staff team to be truly representative of the society we are here to support and protect so that we are able to regulate effectively. One way we do this is by operating a fair and inclusive recruitment process, which aims to reach a diverse pool of candidates.

Our strategic risk register is discussed by the senior management team on a quarterly basis and formally reviewed by the Finance, Audit and Risk Committee at each meeting and by the board at least twice per year. Key identified risks this year related to public understanding of the limits of our regulation, reputational damage, cyber security, potential regulatory gaps, impact of the code review and proposed levy increases, and staffing recruitment, and retention. In addition to the risk register this year, the board developed, and approved, a new risk appetite statement.

To mitigate risks related to cyber security, we have accredited to the Cyber Essentials Plus standard and reinforced data management best practice with staff. We are also reviewing our business recovery planning.

New board and committee members take part in a detailed induction that covers their duties, the history and key decisions of the board/committee and an overview of the regulator's functions and services. Each induction also includes briefing meetings with key staff.

All directors have an annual appraisal carried out by the board chair, and external committee members have an appraisal with their committee chair. Any training or development needs identified are addressed by the board chair and chief executive to make sure members have the tools needed to fulfil their obligations.

All board and committee members are required to declare any potential conflicts of interest before appointment. A register of interests is maintained and reviewed on an annual basis, with any changes updated in the interim. Conflicts of interest are a standing item on every meeting agenda. Any actual or perceived conflicts of interest are raised either in advance of or at the start of each meeting and noted in the minutes. If a person's interests conflict with our regulatory interests, they are required to withdraw from the discussion and decision making.

Board and committee members are remunerated at the rate agreed on their letter of appointment, which is reviewed every three years (see note 15). Reasonable expenses for travel, accommodation, and subsistence when carrying out official business are reimbursed in line with our expenses policy.

OUR BOARD

The Board of Directors met five times and discussed topics such as:

- Developing and approving the draft new Code of Fundraising Practice for consultation.
- Approving a two-phase increase to the Fundraising Levy, in response to sector feedback through the levy engagement exercise.
- Approving a rise in non-charity and small charity registration fees.
- Publishing research into public’s experience of charitable fundraising and awareness of the Fundraising Regulator.
- Considering the issues around door-to-door fundraising and the publication of the market inquiry report.
- Reporting updates in any significant cases from our casework.
- Considering in detail budgets and management accounts.
- Publishing our annual report and accounts, and the delivery of our annual event.
- Feedback from the staff survey.

Board meetings are observed by a representative from the Scottish Fundraising Adjudication Panel, which is responsible for regulating fundraising by Scottish charities in line with the Code of Fundraising Practice.

Board member	Attendance	%
Lord Harris (Chair)	5 / 5	100
David Cunningham	5 / 5	100
Guy Parker	5 / 5	100
Jenny Williams	4 / 5	80
Jill Thompson	4 / 5	80
Kieron James	5 / 5	100
Lisa Caldwell	5 / 5	100
Margaret Moore	5 / 5	100
Martin Price	5 / 5	100
Reshard Auladin	5 / 5	100
Sacha Deshmukh	5 / 5	100
Suzanne McCarthy	5 / 5	100
Average attendance of directors		97
Scottish Fundraising Adjudication Panel (observer)	4 / 5	80
Average attendance including observers		95

OUR COMMITTEES

Complaints and Investigations Committee

The Complaints and Investigations Committee is responsible for holding the executive to account for our overall casework performance and identifies learning or areas of the code that the Standards Committee may wish to review. It can also determine the outcome of complex or serious cases and reconsider cases that have been referred to it by our external reviewer. The committee met four times and, in addition to considering individual cases, discussed topics such as:

- common or emerging fundraising complaint methods and themes
- themes from the Code Advice Service
- casework internal audit and recommendations
- the content and publication of the Annual Complaints Report; and
- proposals for changing the Annual Complaints Report in the future.

The head of casework is the executive lead for this committee. A representative from the Chartered Institute of Fundraising, the professional membership body for UK fundraising, attends the meetings as an observer.

Complaints and Investigations Committee	Attendance	%
Jenny Williams (Chair)	4 / 4	100
Andrew Nebel (external)	4 / 4	100
Catherine Cottrell (external)	4 / 4	100
Lisa Caldwell	4 / 4	100
Martin Price	4 / 4	100
Reshard Auladin	4 / 4	100
Average attendance of members		100
Chartered Institute of Fundraising (observer)	3 / 4	80
Average attendance including observers		96

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring and advising the board on significant strategic risks related to finance, performance, funding, and expenditure. It makes recommendations on staff pay and considers appropriate audit arrangements. The committee met four times and discussed topics such as:

- monitoring our investment portfolio performance
- financial modelling underpinning the strategic plan and future budgets
- increases to the Fundraising Levy and review process
- updates to the organisational risk register
- feedback from the staff survey and updates on the EDI strategy; and
- updates from internal auditors to present findings and recommendations from their reviews of policies and processes.

The head of finance and procurement is the executive lead for this committee. The head of communications and corporate services also leads on HR and risk, both of which are in the committee’s remit.

Finance, Audit and Risk Committee	Attendance	%
Jill Thompson (Chair)	4 / 4	100
Kieron James	3 / 4	75
Margaret Moore	4 / 4	100
Sacha Deshmukh	1 / 4	25
Sharon Martin (external)	4 / 4	100
Average attendance of members		80

Standards Committee

The Standards Committee oversees the development of the code and makes sure that its standards continue to reflect current fundraising practices, changes to relevant legislation, and public expectations. It also oversees the development of guidance to complement the code. The committee met four times and discussed topics such as:

- revision of the Code of Fundraising Practice and code consultation process
- trends and themes from the Code Advice Service
- review of guidance on volunteer fundraising
- guidance for online fundraising platforms; and
- reviewing the formal information report.

The head of policy is the executive lead for this committee. Representatives from the Chartered Institute of Fundraising and Scottish Fundraising Adjudication Panel attend the committee as observers.

Standards Committee	Attendance	%
Suzanne McCarthy (Chair)	4 / 4	100
David Cunningham	4 / 4	100
George Lusty (external)	3 / 4	80
Guy Parker	4 / 4	100
Nick Jones (external)	4 / 4	100
Average attendance of members		95
Chartered Institute of Fundraising	3 / 4	75
Scottish Fundraising Adjudication Panel (observer)	4 / 4	100
Average attendance including observers		93

OUR STAFF

Senior management team

Our day-to-day operation is delegated by the board to the senior management team (SMT). In 2023/24, this team consisted of:

- **Gerald Oppenheim**, Chief Executive
- **Nick Allaway**, Head of Finance and Procurement (part-time)
- **Daisy Houghton**, Head of Communications and Corporate Services (part-time)
- **Nikki Renken**, Head of Casework
- **Paul Winyard**, Head of Policy
- **Jim Tebbett**, Head of Proactive Regulation and Projects (from May 2023)

The SMT makes sure that the business plan approved by the board is delivered and manages risks through considering operational performance, resource management, and forward planning. The SMT meets formally on a monthly basis. The SMT lead for each committee works closely with the committee chair to make sure that there is open dialogue about matters that need to be considered. The chief executive has fortnightly meetings with the board chair and vice chair to keep them informed of strategic issues and significant matters arising.

Conflicts of interest

A register of interests for the SMT and wider staff team is maintained and reviewed on an annual basis, with any changes updated in the interim. If a person's interests conflict with the interests of the Fundraising Regulator, they are required to withdraw from the discussion and decision making.

Remuneration

The board sets the pay of the SMT on the recommendation of the chief executive, after the posts have been benchmarked against those in comparable organisations. Separately, the board sets the chief executive's pay.

Our Employees

Our staff are organised into five teams:

- **Our casework team** considers complaints about fundraising and other concerns relating to compliance with the code.
- **Our finance and procurement team** manages our budgets and operates our registration scheme, including oversight of the levy.
- **Our policy team** engages and consults with the fundraising sector and the public, developing the code standards, and accompanying guidance.
- **Our communications and corporate services team** are responsible for our governance and corporate administration, human resources function, communications and marketing activity, and operating the FPS.
- **Our proactive regulation and projects team** gather external and internal intelligence to inform focus for projects and regulatory work that they undertake.

Including the SMT, as of 31 August 2024 we had 33 employees, of which six worked part-time. Our workforce increased compared to the previous year. In 2022/23 the Fundraising Regulator had 28 employees, of which six worked part-time. Three of the new members of staff were brought in to support the new proactive regulation function.

Induction and training

Our induction process welcomes new starters to our culture, our people and our work so that they can be confident in their role and supported to perform at their best. It includes IT set up, HR administration, health and safety, cross-organisational introductory meetings, and setting probationary objectives.

Our ongoing performance management process helps to identify opportunities for personal development through regular one-to-one meetings and annual appraisals with line managers, objective setting, and objective review meetings. In 2023/24, staff attended a range of internal and external training courses to support their learning and development including training on:

- ACAS interview training
- recruitment at the Fundraising Regulator
- first aider courses to support a safe working environment
- vulnerability
- bullying and harassment
- report writing
- absence management
- note taking; and
- performance management.

Financial report

FINANCIAL REPORT

Our income for this accounting period is £2.86 million, which is comprised of income from the levy of £2.36 million (around 82% of total income) and £399k from the registration of small charities and commercial organisations engaged in fundraising, along with £100k of interest from investments. This compares to a total income of £2.55 million last year.

We incurred expenses of £3.31 million (£2.48 million in 2022/23) throughout the year and operated a deficit of £363k. As a result, our reserves are £1.6 million (£1.96 million in 2022/23), which is the most recent reserve level agreed with the board.

Year-on-year comparison

The table below provides a year-on-year financial comparison of our income and expenditure:

Income	Year end 2024	Year end 2023	Difference
Regulatory activities	£2,754,280	£2,509,418	+£244,862
Investments	£99,926	£44,503	+£55,423
Other income	£6,467	£1,600	+£4,867
Total income	£2,860,673	£2,555,521	+£305,152
Expenditure	Year end 2024	Year end 2023	Difference
Regulatory activities	£-3,312,943	£-2,475,342	-£837,601
Net gains/(losses) on investments	£88,523	£-19,172	+£107,695
Net movement	£-363,747	£61,007	-£424,754
Closing reserves	£1,610,280	£1,965,027	-£363,747

Performance against budget

Our planned budget for the year of £3.07 million was overspent by £243,000 (8%). This was the result of more planned project work being completed under the head of proactive regulation and projects. We also took on additional staff to deal with business pressures in a number of areas.

Our expenditure is set out in further detail in note 6 (breakdown of regulatory activities) of this report. Some expenditure requires further explanation owing to the year-on-year changes.

Note 6 of the accounts classifies operating expenditure into a number of cost headings. This year we reclassified the components of some of these groups to reflect a more accurate cost grouping. This is the reason for some of the wide variations between 2023/24 and 2022/23 expenditure. Increases in expenditure, particularly in consultants and staff costs, are due to an increase to the size of the workforce. The initiation of business systems improvement projects accounts for other variances.

Managing and mitigating risk

We maintain a system of risk management. Significant risks are reported in a register, which is regularly monitored, and reviewed by the SMT and Finance, Audit and Risk Committee. The board also discusses the risk register at least twice a year. Emerging risks are mitigated to reduce the likelihood of the risks crystallising and their impact being realised. This year, a particular concern has been the risk posed by cyber attacks. To mitigate this risk and improve our resilience we have been audited against the Cyber Essentials Plus standard.

Our biggest long term risk remains funding. Despite an increase in the number of charities paying the levy and registering over the past four years, the voluntary nature of the levy means we cannot predict accurately how many organisations will contribute each year and the speed at which this happens. Positively, charities have so far shown their willingness to continue funding the regulator to maintain our activities and it is clear that most regard funding the regulator as an important and necessary cost of business.

Our reserves policy

The board agreed a reserves policy in September 2016 and the Finance, Audit and Risk Committee formally reviews this on an annual basis. Our reserves policy ensures that we have adequate funds at any time to deal with a drop in our funding, to meet exceptional costs that may arise from challenges to our decisions and to cover the costs of an orderly winding up, so that our legacy can be passed on to any successor body and liabilities can be met before closure. Given the difficulty for a self-regulatory body to insure against legal risks, reserves may also be needed to cover costs of any legal challenges to the decisions we make. The target level of reserves takes that risk into account.

Operating reserves will be maintained around six months of core expenditure to ensure all contractual liabilities – for staff, suppliers, and contractors – can be met. Reserves at this level will ensure that, in the event of a significant drop in funding, we will be able to continue our current activities while consideration is given to ways in which additional funds may be raised. It will also cover any winding up costs should the position of the regulator fundamentally change. Our reserves level is planned to decrease as we are planning to operate a further deficit budget in the 2024/25 financial year. The Charities Act 2016 additionally has a reserve power for the levy to be made statutory in the event that our voluntary arrangements fail.

Structure, governance and management

The directors and members of the company are as follows:

- Lord Toby Harris
- Mr Sacha Deshmukh
- Mr David Cunningham
- Mr Kieron James
- Ms Suzanne McCarthy
- Ms Margaret Moore
- Ms Jill Thompson
- Ms Jenny Williams
- Mr Reshard Auladin
- Mr Martin Price
- Mr Guy Parker
- Ms Lisa Caldwell

Disclosure of information to auditor

Each of the members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the provisions applicable to companies entitled to small companies' exemption.

The members' report (including director's report) was approved by the Board of Members.

Lord Toby Harris

Member and Director

[Date]

Statement of directors' responsibilities

For the year ended 31 august 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company Law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and the methods and principles of charities' statement of recommended practice (SORP). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its statement of financial activities, including the income, and expenditure account of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of fundraising regulator

Opinion

We have audited the financial statements of Fundraising Regulator (the 'company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 August 2024 and of its incoming resources and application of resources, and including its income, and expenditure for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually, or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected, or alleged fraud. The company did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006 and Charity SORP.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we took to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws, and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the company board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors of the company.

A further description of our responsibilities is available on the Financial Reporting Council's website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Carol Rudge

(Senior Statutory Auditor) for and on behalf of HW Fisher Audit

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London NW1 3ER
United Kingdom

[Date]

Statement of financial activities
including income and expenditure account
for the year ended 31 august 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income and endowments from:			
Regulatory activities	3	2,754,280	2,509,418
Investments	4	99,926	44,503
Other income	5	6,467	1,600
Total income		2,860,673	2,555,521
Expenditure on:			
Regulatory activities	6	(3,312,943)	(2,475,342)
Net gains/(losses) on investments	8	88,523	(19,172)
Net movement in funds		(363,747)	61,007
Fund balances at 1 September 2023		1,965,027	1,904,020
Fund balances at 31 August 2024		1,601,280	1,965,027

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Balance sheet
as at 31 August 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Investments	10		972,317		872,885
Current assets					
Debtors	11	103,001		88,048	
Investments	12	448,187		601,607	
Cash at bank and in hand		721,953		749,537	
		1,273,141		1,439,192	
Creditors: amounts falling due within one year	13	(644,178)		(347,050)	
Net current assets			628,963		1,092,142
Total assets less current liabilities			1,601,280		1,965,027
Income funds					
Unrestricted funds			1,601,280		1,965,027
			1,601,280		1,965,027

The financial statements were approved by the directors on [Date]

Lord Toby Harris

Director

Company Registration No. 10016446

Statement of cash flows
for the year ended 31 August 2024

	Notes	£	2024 £	£	2023 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	16		(270,021)		64,047
Investing activities					
Deposit in short term investments		-		(196,722)	
Withdrawals from cash in portfolio		153,420		(1,465)	
Purchase of other investments		(93,037)		(182,127)	
Proceeds on disposal of other investments		82,128		170,880	
Investment income received		99,926		44,503	
Net cash generated from/(used in) investing activities			242,437		(164,931)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(27,584)		(100,884)
Cash and cash equivalents at beginning of years			749,537		850,421
Cash and cash equivalents at end of year			721,953		749,537

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies Company information

The Fundraising Regulator is a private company limited by guarantee incorporated on 19 February 2016 in England and Wales. The registered office is 50 Featherstone Street, London, EC1Y 8RT.

1.1. Accounting convention

The company is not registered as a charity but the accounts have been prepared in accordance with the company's Memorandum of Association, the Companies Act 2006 and '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") to reflect the not-for-profit nature of the company.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2. Going concern

At the time of approving the financial statements, the directors have considered all existing risks and have a reasonable expectation that the company has adequate resources to continue its business as a regulator for the foreseeable future. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Fund accounting

Unrestricted funds are available for use at the discretion of the directors to further their objectives, unless the funds have been designated for other purposes.

1.4. Income

Income from demands for voluntary annual Fundraising Levy income are recognised on receipt other than amounts received in advance relating to the period from September 2024 to August 2025 which is deferred.

Registration income is also voluntary and relates to the annual period beginning from the month that the cash is received. At the year end, all registration income relating to post year end is deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

1.5. Expenditure

Liabilities are recognised as expenditure once there is a legal or constructive obligation committing the company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated to the one activity in the statement of financial activities.

Governance costs comprise all costs involving the public accountability of the company and its compliance with regulation and good practice.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6. Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8. Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9. Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10. Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.11. Current Asset Investments

Current asset investments are those which are held for resale or pending their sale and cash on deposit with a maturity date of less than one year held for short-term investment purposes rather than cashflow. Current asset investments are valued at fair value

2. Critical accounting estimates and judgements

In the application of the company's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not believe there to be judgements or estimates that would be considered critical to the financial statements.

3. Regulatory activities

	Income 2024 £	Income 2023 £
2022/23 levy income	–	2,154,765
2023/24 levy income	2,355,746	–
Registration income	398,534	354,653
	2,754,280	2,509,418

4. Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	15,964	12,708
Interest receivable	83,962	31,795
	99,926	44,503

5. Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	6,467	1,600

6. Regulatory activities

	2024 £	2023 £
Staff costs	1,957,306	1,502,418
Recruitment	99,798	61,307
Consultants	349,348	193,181
Office supplies	14,520	33,378
Events and conferences	73,469	119,377
Premises, utilities and rates	201,455	158,528
HR costs	29,075	5,058
Staff training costs	29,693	25,477
Travel and subsistence	26,562	26,114
Legal and professional fees	122,557	53,774
IT and web project development	280,407	196,552
Board remuneration	56,208	42,235
Taxation	13,954	4,562
	3,254,352	2,421,961
Investment management fees	8,295	7,786
Audit and accountancy	50,296	45,595
	3,312,943	2,475,342

Audit and accountancy fees include payments to external auditors for £19,800 (2023: £19,020) of audit fees, £12,862 (2023: £14,250) for other accountancy services and £17,646 (2023: £16,965) for internal audit fees.

Payroll and auto-enrolment costs of £5,454 have been classified in legal and professional costs in order to be consistent with the treatment within the prior year.

7. Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Complaints and investigations	8	7
Secretariat and communications	9	9
Board and governance	1	1
Finance and levy	5	4
Policy	5	5
Fundraising Preference Service	1	1
Proactive Regulation and Projects	3	-
	32	27

Employment costs

	2024 £	2023 £
Wages and salaries	1,629,388	1,246,777
Social security costs	177,832	139,908
Other pension costs	150,086	115,733
	1,957,306	1,502,418

The number of employees whose annual remuneration was £60,000 or more were:

	2024 £	2023 £
£60,000-£70,000	1	2
£70,001-£80,000	4	1
£100,001 - £110,000	1	1

The key management personnel are the chief executive, head of casework, head of communications, and corporate services, head of finance, and procurement, head of policy, and head of proactive regulation and projects, which was a new position in the year to 2024. During the year, the key management personnel received £574,837 (2023: £404,853) in wages and salaries and pension contributions.

8. Net gains/(losses) on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Revaluation of investments	88,523	(19,172)

9. Taxation

No liability to corporation tax arises on any income from fundraising activities due to the mutual trading provisions. Corporation tax of £13,954 (2023: £4,561) is charged on the income from listed investments.

10. Fixed asset investments

Cost or valuation	Listed investments £	Cash in portfolio £	Total £
At 1 September 2023	834,353	38,532	872,885
Additions	93,037	(93,037)	-
Valuation changes	88,523	-	88,523
Dividends and interest received	-	19,206	19,206
Investment manager fees	-	(8,297)	(8,297)
Disposals	(81,317)	81,317	-
At 31 August 2024	934,596	37,721	972,317
Carrying amount			
At 31 August 2024	934,596	37,721	972,317
At 31 August 2023	834,353	38,532	872,885

11. Debtors

	2024 £	2023 £
Trade debtors	14,293	-
Other debtors	-	57
Prepayments and accrued income	88,708	87,991
	103,001	88,048

12. Current asset investments

	2024 £	2023 £
Short term investments	448,187	601,607

13. Creditors: amounts falling due within one year

	2024 £	2023 £
Corporation tax payable	16,049	5,131
Other taxation and social security	51,435	41,768
Trade creditors	48,819	75,117
Other creditors	22,657	16,468
Accruals and deferred income	505,218	208,566
	644,178	347,050

14. Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non- cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	40,588	36,173
Between two and five years	23,063	24,647
	63,651	60,820

The total rental expense recognised in the accounts was £141,163 (2023: £145,641). The reduction is due to the additional cost of meeting room hire being recognised separately in the year to 2024.

15. Related party transactions

Board and committee members can claim a daily amount for attending meetings and carrying out other work on behalf of the Fundraising Regulator. Board members are directors of the company and committee members are co-opted for their expertise or understanding of fundraising. This allowance is in line with sums common in other public regulators. The chair can claim £500 per day, committee chairs £350 per day and board and committee members £300 per day. Reasonable expenses are also paid for travel and subsistence costs.

During the year, 15 (2023: 15) board and committee members were paid £56,208 (2023: £42,235) in total for attendance and six members were paid £4,034 for reimbursed travel and subsistence (2023: nine members were reimbursed travel and subsistence, £1,605).

16. Cash generated from operations

	2024 £	2023 £
(Deficit)/surplus for the year	(363,747)	61,007
Adjustments for:		
Investment income recognised in statement of financial activities	(99,926)	(44,503)
Fair value gains and losses on investments	(88,523)	19,172
Movements in working capital:		
(Increase) in debtors	(14,953)	(45,464)
Increase in creditors	297,128	73,835
Cash (absorbed by)/generated from operations	(270,021)	64,047

17. Analysis of changes in net funds

The company had no debt during the year.



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Fundraising Regulator is a company limited by guarantee (no. 10016446) in England and Wales. Our registered office address is Fundraising Regulator, 50 Featherstone Street, London, EC1Y 8RT.

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