

Incorporated charity - Exempt from external scrutiny England & Wales

In Scotland
In Scotland an independent examination applies to all accounts for unincorporated income from £nil to £500,000 pa.
In England & Wales
For accounting periods ending on or after 1st April 2009, this template applies to accounts with gross income of £25,000 or greater. For accounting periods ending on or before 31st March 2009, this template applies to accounts with gross income of £25,000 or greater and where an examination does not otherwise apply.

However, there is also a requirement that an audit is required if total gross income is £25,000 or greater for accounting periods ending on or before 31st March 2009.

Note that the rules are different for unincorporated charities where gross income was £10,000 and £15,000 for accounting periods ending on or before 31st March 2009.

Note also that the Booklet CC63 has been reissued as booklets CC31 and CC32.

Note that in England & Wales, an independent examination where gross income is less than £25,000 is required for charities with specified professional qualifications. In Scotland ALL examinations MUST be carried out by a Chartered Accountant.

Note that the rules are slightly different for incorporated charities where gross income is £10,000 or more.

Note also that the Booklet CC63 has been reissued as booklets CC31 and CC32.

For the 14 steps in the production process and identification of the charity's accounts - see the links page -

Licensing **ONLY USE IN ACCORDANCE WITH LICENCE PURCHASED**
Contact sorpaid to upgrade if required

Current thresholds [Charities Act 2006 - click here for details of current thresholds](#)

The systematic 14 step process to prepare charity accounts.

Accounts preparation process - Preliminary

Step no	Required action	Comment
1	Check that exemption from independent examination is the correct procedure by completing the initial step of the disclosure checklist	ESSENTIAL INITIAL PRELIMINARY TEMPLATE
See also	CC31 Checklist for compliance with CC31 directions issued by the Charity Commission Charities in Scotland - see OSCAR guidance Link to initial step of disclosure checklist	

2

Check professional guidelines on engagement procedures for exempt work

**ESSENTIAL
INITIAL PI
TEMPLATI**

See also

[CC31 Checklist for compliance with CC31 directions issued by the Ch
Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)
[CC31 Guidance to Trustees from 01/04/09](#)

3

Review the checklist from CC32 (see worksheet CC32 in this template) and plan the workload accordingly

**ESSENTIAL
PROCEDU
AND DUR
ACCOUNT**

See also

[CC31 Checklist for compliance with CC31 directions issued by the Ch
Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)
[CC31 Guidance to Trustees from 01/04/09](#)

4

Determine whether or not advantage is to be taken of disclosure exemptions for cases that are not statutory audits. **Plan the subsequent phases accordingly**

**ESSENTIAL
USING TE
COURSE C**

The main specific decisions to be taken will relate to whether the Appendices on Detail PL1 are needed, whether a Cash Flow Statement is required and whether the Trustees Report should take advantage of the exemptions.

**utilised w
Cash Flow
Accountin
is good pr
exemption
with this**

See also

[Click for full text of 2005 SORP \(Revised June 2008\)](#)

5

(a) Enter the Trial Balance and check for internal consistencies

Do not en

(b) Enter data in the pastel green data boxes on the Data worksheet

(c) Check the VT Properties are properly set (see the Manual from VT)

(d) Carry out the procedures required at this stage under the CC32/OSCR guidance

Anything other than zeros in this line indicates an error of input

0	0	0	0	0
---	---	---	---	---



6

Turn Autohide off and enter analysed items in DetailPL2

Do not enter The TB will

Then carry out the procedures required at this stage under the CC32/OSCR guidance

Anything other than zeros in these lines indicates an error of input

-	-	-	-	-	-	-
-	-	-	-	-	-	-
0	0	0	0	-	-	-
-	-	-	-	-	-	-
0	9316	0	-26928	0	0	

If any of the above lines are not zero - Examine PL worksheet and DetailPL2 worksheet. Turning autohide on may help in locating errors. Turn autohide off and correct errors.

See also

[Charities in Scotland - see OSCR guidance](#)

[CC32 Directions & Guidance to Examiners from 01/04/09](#)



7

Turn Autohide off and enter analysed items in Appendices on Detail PL1. **The Appendices are only mandatory for audited accounts, so this step is only required if you wish to use the appendices**

Do not enter

Then carry out the procedures required at this stage under the CC32/OSCR guidance

Anything other than zeros in these lines indicates an error of input

(20,126)	(10,589)	-	-	-	###	(16,788)
----------	----------	---	---	---	-----	----------

If any of the above lines are not zero - Examine Appendices worksheet for errors. Turning autohide on may help in locating errors. Turn autohide off and correct errors.

See also

[Charities in Scotland - see OSCR guidance](#)

In Scotland

[CC32 Directions & Guidance to Examiners from 01/04/09](#)

In Scotland an independent examination applies to all accounts for unincorporated income from £nil to £500,000 pa.

In England & Wales Turn Autohide off and insert figures in notes
For accounting periods ending on or after 1st April 2009 , this template applies where required **Do not enter**
£500,000 pa and greater than £25,000 .

However, there is also a requirement that an audit is required if total gross provided gross income also exceeds £250,000, and this template does not apply

Anything over the £25,000 and the £250,000 indicates £250,000 of income and £10,000 and £10,000 of income
ending on or before 31st March 2009.

Note that in England & Wales, an independent examination where gross income exceeds £25,000 is required for those with specified professional qualifications. In Scotland ALL examinations MUST be carried out by a Chartered Accountant.

Note that the rules are slightly different for incorporated charities
(36,244) (16,688) -19655 0 -332 .

Note also that the Booklet CC63 has been reissued as booklets CC31 and CC32
examination- see the links page -

If any of the above lines are not zero - Examine BS worksheet and Notes worksheet
Turning autohide on may help in locating errors. Turn autohide off and correct errors

See also [Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)

9

Turn Autohide off suppress the inappropriate accounting policies and notes in the trustees' report

Then carry out the procedures required at this stage under the CC32/OSCR guidance

See also [Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)

10

Turn Autohide on and review work so far - Turn Autohide off and correct any errors

Insert any one off or bespoke notes or accounting policies

Then carry out the procedures required at this stage under the CC32/OSCR guidance

See also [Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)

11

Turn Autohide off and complete the narrative of text notes or delete text to autohide text only notes

Then carry out the procedures required at this stage under the CC32/OSCR guidance

See also

[Charities in Scotland - see OSCR guidance](#)

[CC32 Directions & Guidance to Examiners from 01/04/09](#)

12

(a) Turn Autohide on and compare the accounts with the prior year - Check to see whether any notes etc are missing

(b) Turn Autohide off and correct any errors

Then carry out the procedures required at this stage under the CC32/OSCR guidance

See also

[Charities in Scotland - see OSCR guidance](#)

[CC32 Directions & Guidance to Examiners from 01/04/09](#)

13

(a) Turn Autohide off and complete the Trustees' Report.

(b) Insert page breaks throughout the accounts, and set the print areas using 'Page Setup'

(c) Examine the accounts for blank lines and delete to make the formatting easy on the eye

(d) Do preview of accounts and extract page numbers for the data sheet and cover sheet etc

(e) Enter data in the pastel blue data boxes on the Data worksheet

(f) Enter page numbers on cover sheet

(g) Tailor the examiner's report. Ensure correct page numbers are ref

(h) Work through the disclosure checklist, and check Auditing Standards, SORP and Accounting Standards. *(Note that if the template has been worked through methodically, then most if not all of the disclosure requirements will have been identified in the course of accounts production, and the check list should constitute a double check on the final product)*

Then carry out the procedures required at this stage under the CC32/OSCR guidance

See also [Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)

14

Do full review of the draft accounts, correct any errors,
and print off drafts

Then carry out the procedures required at this
stage under the CC32/OSCR guidance

See also [Charities in Scotland - see OSCR guidance](#)
[CC32 Directions & Guidance to Examiners from 01/04/09](#)

Other charity related products from SORPAID -----

See our website for full particulars www.sorpaid.com
or contact us for details on 0871 288 2391 or email us at info@sorpaid.com

Courses We have a programme of courses on charity issues
We can organise bespoke courses for an individual firm or a group of firms
tailored to their specific training requirements, on a very cost effective basis
Costs start from £300 per day plus travelling costs.

Working Paper files

Independent Examination is a very specialist area, and there is little professional
available. We publish a model working paper file in electronic form that meets the
requirements of CC31 - Directions and Guidance and meets all the current professional
and good practice standards. The 2011 version will be published shortly.

Consultancy

We offer a consultancy service to charities, other accountants, and trustees
on a fee basis that is agreed at the outset

Telephone help line

For a fee of £100 per year, another firm of accountants can have telephone support
on charity issues - terms and conditions apply.

Audit

If a charity is subject to audit and you are not a registered auditor, we can take
to act as auditors, where you still do the underlying accountancy work, and we can
on terms to be agreed directly with the client. There is no geographical limit to

Other tools

There are a number of other tools and facilities that can be downloaded from our

es ONLY - Not Scotland

S

orporated charities prepared on an accruals basis, with gross
by products from SOREAD
charities with gross income from £nil to



shot Ltd

es to unincorporated charities where gross income is less than
ies to incorporated charities where gross

V11.01 Dec 2010

assets before deducting any liabilities exceed £3.26 million

1st March 2009

unction system based on VT accounts

2.8 million and £100,000 respectively for accounting periods
operator's manual, then use 14 step process below

C32 - the directions and guidance on an

ter Brown & Co

come exceeds £250,000 MUST be carried out by a holder of

irried out by a holder of specified professional qualifications.

ty accounting & related matters

tered auditor we can undertake audits

mination work, subject to engagement terms

nd CCB2 the directions and guidance on an indepen

tion of differences

ie single charity OR single user OR multi user

(an internet link is not required)

L LEGAL AND PROFESSIONAL
ROCEDURE BEFORE USING
E

arity Commission

Links to other p

Tab to the relevant Ex

Links Links to ex

TB Trial Balanc

Data Data sheet

Cover Front page

Contents Contents p

Director Trustees Re

Audit Independe

Independent Statement

BS Balance Sh

CF Cash Flow

Notes Notes to th

DetailPL2 Detailed sc

Appendix Activity an

Library Standard to

Disclosur Disclosure

History Details of a

CFworkin Internal wo

Check the Links pa

for a wealth of exte

Links to external reso

**L LEGAL AND PROFESSIONAL
PROCEDURE BEFORE USING
E**

[arity Commission](#)

**L PROFESSIONAL INITIAL
RE BEFORE USING TEMPLATE
ING THE COURSE OF THE
S PREPARATION**

[arity Commission](#)

**L INITIAL PROCEDURE BEFORE
MPLATE AND DURING THE
OF THE ACCOUNTS PREPARATION**

nen mandatory - ie an audit, and that the
/ is only used when required by
ig Standards. With the Tr=ustees Report it
ractice not to take advantage of the
ns, and the template has been drawn up
in mind.

ter data in cells shaded yellow.Only in blue cells

0

0 [Go to TB error summary](#)

Enter data in cells shaded yellow. Only in blue cells.
All already have total figures entered, and your

-	-	-	-
-	-	-	-
-	-	(9,291)	-
-	-	-	-

Worksheet for errors
errors

Enter data in cells shaded yellow. Only in blue cells

-	-
---	---

i
errors

porated charities prepared on an accruals basis, with gross

ter data in cells shaded yellow.Only in blue cells
es to unincorporated charities where gross income is less than

assets before deducting any liabilities exceed £3.26 million
ly in such circumstances.

2.8 million and £100,000 respectively for accounting periods

come exceeds £250,000 MUST be carried out by a holder of
arried out by a holder of specified professional qualifications.

(9,316)

nd CC32 - the directions and guidance on an independent
eet for errors
rors



Ensure the financial figures agree with the accounts

ONLY delete consecutive blank lines. If a line is hidden there may be hidden formulae. ie deleting rows 1132, 1133 and 1134 as a block is OK

Deleting 1132 to 1134 when 1133 is hidden is **DANGEROUS**

erred to



[Return to main menu](#)



al guidance
all the
ssional

port on technical

instructions
carry out a pure audit
this service

ir web site - why not pay us a visit ?



Parts of the accounts production file

[Excel worksheets in this template](#)

[Internal resources page](#)

[Debit entry](#)

:

[List of accounts](#)

[Page of accounts](#)

[Report](#)

[Independent Examiner's Report](#)

[Statement of Financial Activities & I&E accounts](#)

[Balance sheet](#)

[Statement](#)

[The accounts](#)

[Schedule to the SOFA](#)

[Analyses per the SORP](#)

[Notes and explanations](#)

[Checklist](#)

[Amendments to templates](#)

[Workings for cash flow](#)

Page

Internal resources

[Resources page](#)



SCOTLAND
The Guidance and Directio
law in England & Wales. O

Technical i
ity accounts pr

Legal

[Disclaimer,term](#)

Manuals for u

Other websit

[Peter Brown & C](#)

[The Association](#)

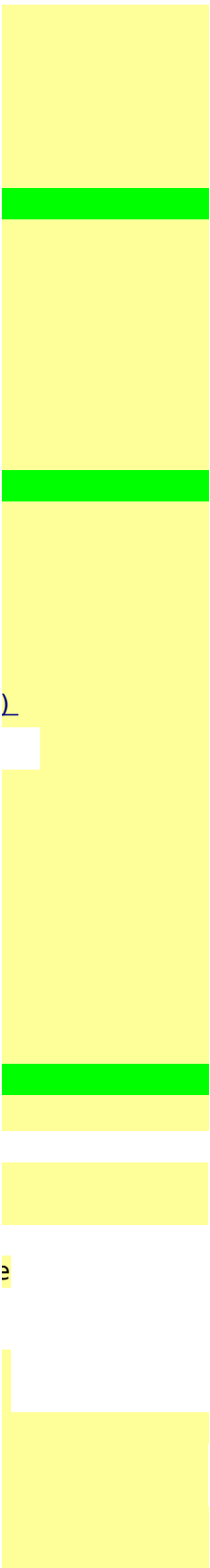
[ACCA](#)

[ICAEW](#)

on in England &
n Scotland.

[format](#)

[11 directions](#)



s governed by

here in the ch

SORP

***f the Controller
Download this m
other purpose***

[g Standards Board
Commission on the
ive framework
e Trustees' report](#)

t and Accounts

unts is to discha
ecommended ac
ditional informati
the charity's activi
or management
n will draw on the

of the financial i
em to be similar.
arity for whatever
f each fund is de

f the charity but
eld in the differ

to how a charity
a charity's efficie
ot give the readi
ces expended in
e Trustees' Ann
chievements that
nificantly diminis

ds;
re, activities and

charity's financia

provides guidance (and, where necessary, in the absence of a true and fair view) in a manner that is consistent with the overall circumstances and the needs of the fundations to assist

to which all parts of the SORP apply. Charities do not have to account for the work of their trustees who are not charity trustees and any other provisions of the SORP apply to all charities.

The SORP provides guidance on the practice for the preparation of the accounts and the requirements for the audit of the accounts to both the charity and the trustees.

The SORP also provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained.

16. The SORP provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained.

The SORP provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained. The SORP also provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained.

The SORP provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained. The SORP also provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained.

The SORP provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained. The SORP also provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained.

The SORP provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained. The SORP also provides guidance on the treatment of the transactions and events that are not recorded in the accounts but additional records are maintained.

joined by law. In
nt with the law th
uirements.

for the preparat
as a body in acc
e charity trustees
proval should be
n the accounts s
nancial informati
ating to the form

and Regulations
tions 1992, unle

e Companies Ac
the particular re

plying to the acc

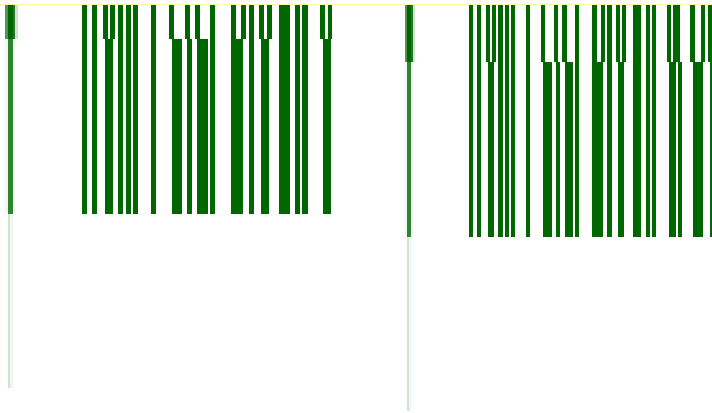
' 2005

ed Practice'

lish and improve
uditors of financi
o general purpos
y be required in
m of Statements

n of advancing an
y the ASB for the
the ASB's code c

velopment of SORF
but a review of li
s been develop
ental points of nr



central points of pr
th an accounting

is
f the Charities SC
cial Reporting Sta
ommittee, an adv
visers and charit
tions of the UK.

The research, in
a stage of its dev
ting by charities.
the consultation
at have informed
existing SORP pri
o explain what th
her narrative and

getic charity sect
dertake. Retaining
ector. This SORP f
about their activ
ch accounts give

United Kingdom

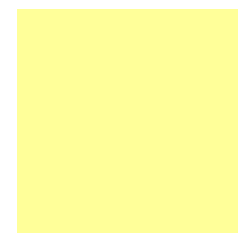
f users who will u
i from other sou
act of transactio
overnance and n
sily portray what
(its impact). This
ne areas are diff
ity for charity tri

mented by inform
be a coherent c

of the charity's s
charity is trying
is made by the cl
d reporting will
understand how
charity (see
a statement cor
1 to 43 will infor
gal or administra
h the charity tru:
e attached to th

ther information
s. Charity trustee
ort, environment

formation, outsi
nformation is oft
etters and websi
eir Trustees' Ann
nual reporting.
(see paragraph .
pplicable parts c
Directors' Repor
ort.



of information pre
ting standards ar
is; and thereby
rustees' Annual F

arities in the Ur
a charity's finan

context of what

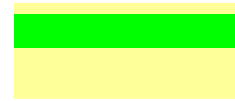
s (eg SORPs app
e charity trustee
d on such charitie
charities prepari
dopt the activity
nents (see appen
the activity basi
he users of accr
rised in Appendix
he scope of this
blic of Ireland ch

ation that does n
nying informati
in paragraph 2
ng to the charity
SORP recognises
unts in underst
practice recomm

derpinned by law
be consistent w
ing legal requirer

cts from the SC
te :-

the Controller of
erial to screen a



/ site to which a
s or implied, for t

covered in the m
accessed. If the u
oved from the u
in writing of the
lates, then the

those terms.

*e for the exercise
tion that any acc
ounting or Auditin*

ts of Third Partie

cument, and the:
rior to contract,
actual arrangem
al. Using this soft
e foregoing.



This document is the copyright of

**Undershot Ltd, t/a Peter Brown & Co,
Chartered Certified Accountants,
Acomb Grange,
York
YO23 3QZ**

[Tel 0871 288 2619](tel:08712882619) [Email info@sorpaid.com](mailto:info@sorpaid.com)

Attention is drawn to section 107 of the Copyright Design and Patents Act 1988 which relates to copyright material. Undershot Ltd may take legal action against any person who reproduces all or any part of this document, whether in its original form or any modified form.

Notwithstanding the above prohibition, any person who has paid an annual licence fee and received a receipted invoice from Undershot Ltd may, in accordance with this licence, for their company's accountancy practice, or other organisation, by which they are employed, or in which they are a partner, copy this file within that one office as they may wish, and may make any amendments, additions or deletions shall not delete this copyright page, and provided this copyright page is included in any modified form.

Such licence shall only continue for one year only from the date of the aforementioned payment of a further annual licence fee.

Additional offices shall pay an additional licence fee.

'Sorpaid' and 'Peter Brown & Co' are trading names of Undershot Ltd, Company Number 411446
Brown Bsc (Hons), FCCA,FCIE

Information

Introduction

[s.copyright](#)

Using this file

[Click here](#)

es

[Co - Sorpaid](#)

[of Charity Independent Examiners](#)

[ICAS](#)

[ICSA](#)

[FRC and APB](#)

Wales have the force of

[CC31 Guidance to Trustees from 01/10/09](#)

[CC32 Directions & Guidance to Examiners from 01/10/09](#)

[Reports and enquiries by the commission into complaints and wrongdoing by charities](#)

Professional guidance by ACCA -

ACCA factsheet 123 Audit risk and fraud -

supplementary guidance for auditors of charities

(only available in hard copy)

[ACCA rules on examinations by persons without a practising certificate](#)

[Charity Commission guidance on public benefit](#)

Notes

[Notes to the accounts](#)

DetailPL2

[Detailed schedule to the SOFA](#)

Appendix

[Activity analyses per the SORP](#)

Library

[Standard texts and explanations](#)

Disclosure

[Disclosure checklist](#)

History	Details of amendments to templates
CFworkings	Internal workings for cash flow
Workings	Internal workings for acs
CC32	Independent Examination directions 2008

The Auditing Practices Board

[Auditing Standards \(ISAs\) UK and Ireland](#)

[PN8 Reports by auditors under company legislation in the UK](#)

[PN11 The audit of charities in the UK](#)

[PN22 The auditor's consideration of FRS17 retirement benefits - defined benefit schemes](#)

[Bulletin 2005/1 Audit risk and fraud - guidance for auditors of charities](#)

HM Revenue & Customs notes and guidance

[HM Revenue & Customs Charity webpages](#)

[HMRC Regulations on trading by charities](#)

[HMRC changes in exemptions from March 2006](#)

[Affordable Home Ownership - Charitable Status and Tax](#)

[Applications for Charitable Status](#)

[Gift Aid](#)

[Payroll Giving](#)

[Giving land, buildings, shares & securities to charity](#)

[Claims and returns](#)

[Audits by HMRC Charities](#)

[Charitable tax exemptions](#)

[Non-charitable expenditure](#)

[Qualifying investments and loans](#)

[Life Assurance and Capital Redemption Products](#)

[Fit and proper' test for trustees](#)

[Charities and VAT](#)

Other Publications from

The Charity Commission and Charity legislation

Sundry publications and references

[Click for full text of 2005 SORP \(Revised June 2008\)](#)

[Commentary on the 2005 SORP](#)

[Payment of charity trustees - a checklist](#)

[How to use the SORP](#)

[Purpose of the SORP](#)

[The informal consolidation of legislation published by the cabinet office](#)

[Purpose of Trustees Report](#)

[The scope and object of the SORP](#)

[The SORP and the law](#)

[Statement by the Charity Commission on the SORP](#)

[Detailed requirements of the Trustees' report](#)

[Table 1 in the SORP - legislative framework](#)

[The Charities \(Accounts and Reports\) Regulations 2008](#)

(Effective from 1st April 2008)

[Charities and Trustee Investment \(Scotland\) Act 2005](#)

[The Charities Accounts \(Scotland\) Regulations 2006](#)

[Charity Commission guidance on public benefit](#)

[The Charities Act 2006](#)

[The Charities Act 1993](#)

[The Companies Act 2006](#)

[Charity Commission guidance on public benefit](#)

See also Guidance from HMRC

[Click here](#)

[Return to top of links page](#)

w also

see publication above also

[Charities and Trustee Investment \(Scotland\) Act 2005](#)

[Return to top of links page](#)

Checklists

of HMSO
material to screen and printer

[d on the SORP](#)
[SORP](#)

large the charity trustees' accounting practice for this on as is needed to give vities and achievements.

the same primary financial

information they produce Essentially the accounts r purpose, and show how employed at the end of the

does show the resources ent funds, and provides

receives and applies its ncy.

er a perspective of what their delivery. The SORP ual Report to provide a flow from them. Without shed.

l achievements;

l transactions during the

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

ice on the application of
all save exceptional
ner which takes account
ces, charities preparing
st in ensuring that their

of this SORP apply since
not have to follow those
for gifts in kind and the
/ does not have receipts
other sections which do
which will apply to all or

those charities producing
ent may choose to apply
porting disclosures and

tions undertaken or the
mmendations applicable

07 - 418.

451
hout the SORP. Generally
item in question is not
accounts. For example,
in other disclosures, for
ader and require a “nil”
osure is required, this is

e a true and fair view of
l of its state of affairs at
e the disclosure of more
es may occasionally find
true and fair view. They
ew and provide
if any material departure
l simply because it gives
/.

ow charity accounting is
charity sector with an
ng treatment for sector
y accounts to meet their

red by law to report and
irements of the charity’s

according to the charity
The SORP provides best

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

in Scotland and Northern
they should be regarded a

ion of the Annual Report
ordnance with their usual
s by one of their number
stated.
ould be attached to the
on.
n and content of charity

made
ess and until these are
t 1985 should refer to
quirements of company
ounts of charities within

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

[Table 1 in the SORP](#)

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

standards of financial
al information. To this end,
ie company financial
order to implement
of Recommended Practice

id maintaining standards of
purpose of issuing SORPs.
f practice for bodies

's. These procedures do not
imited scope is performed.
d in accordance with the
inciple that are

principles that are
standard or the ASB's

SORP.

standards currently in issue
advisory committee made up
by regulators. The

put and feedback
development. The resulting
The Commission would
on the exposure draft as
this SORP's development.
principles and
they aim to do, how they go
all financial reporting into a

sector that encompasses a
growing and enhancing the high
charity has a key role to play in
activities and resources that is
a "true and fair" view.

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

1

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

usually have to supplement
sources. Accounts also have
needs or activities undertaken
management arrangements
that the charity has done (its
is mainly because many of
difficult to measure with any
trustees to explain the areas

information contained within the
document that meets the

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

structure, aims, objectives, to do and how it is going charity against its objectives also explain the charity's the numerical part of the

maintaining the reference and from the reader who are the tive information. stees. It provides important e accounts whenever a full

within the Trustees' Annual es may incorporate other report, impact assessment

de of the accounting and en tailored for the needs of tes. Whilst charity trustees ual Report, such additional

420) in order to meet the of Schedule 7. A separate t prepared also contains all

[Return to Detailed extracts from the SORP](#)

[Return to top of links page](#)

esented in accounts; nd of their

report and

ited Kingdom that prepare cial activities and financial

is material to the particular

licable to Registered Social
s of charities in that class
is by charity law.

ng cash-based receipts and
approach provided in this
dix 5).

s for the analysis of income
uals accounts prepared by
(5.

SORP they may choose to
oooses to adopt this SORP's

ot form part of the

on is primarily provided by
4 of the SORP, the legal

r reporting frameworks that

s that such accompanying

anding the activities and

endations for the content of

v, in Scotland and

ith the law they should be [Return to Detailed extracts from the SORP](#)

ments.

[Return to top of links page](#)

SORP

HMSO and the Queen's
nd printer for their own

[Return to top of links page](#)

hypertext link from this
he information provided

[Return to top of links page](#)

anual of procedures, to
user does not agree with
user's computer and all
position. If such written
user will be deemed to

*of professional skill by
counts produced by this
ng Standard without the*

s) Act or otherwise are

se terms and conditions
either on the vendor's
ents is deemed to be
ware for any purpose is

[Return to top of links page](#)

[Return to top of links page](#)

h makes it a criminal offence to perform, without authorisation, certain acts in
n responsible for the unauthorised reproduction or storage in a retrieval system of

re to Undershot Ltd, which is still current, and which shall be evidenced by a
own purposes, or for the purposes of one office only (ie limited to one office) of any
n they are a partner or director, make as many printed copies or electronic copies of
erations, additions or deletions from this file as they may wish, provided such
cluded in every printed and electronic copy, whether the copy is in its original form

ed invoice, whereupon the licence shall be renewed by the licensee if they so wish,

[Return to top of links page](#)

8, registered office Acomb Grange, Grange Lane, York , YO23 3QZ .

HAWA

[See disclaimer & terms](#)**Trial balance****AutoHide is on**Unrestric
Funds
Restricted
Funds

Enter debits as + and credits as - [assets and expenses are debits]

Incorporated charity - Exempt from external scrutiny**Enter data****Statement of Financial Activities****Yellow cells****Change na****Incoming resources from generated funds****and only af****Schedule cross refer****in column A against th****Voluntary Income****CC31 Checklist for compl**

The items marked 'X' will require analysis in detail on P&L2 to reconcile to the TB totals

X Revenue grants and donations	0	
X Grants for acquisitions of fixed assets	0	0
Legacies receivable		
X Gifts in kind, donated services and facilities		
Members' Subscriptions	0	
Sponsorship income	(31,996)	0

Activities for generating funds

The items marked 'X' will require analysis in detail on P&L2 to reconcile to the TB totals

Fundraising activities		
Sponsorships and social lotteries		0
Shop income from sale of donated and bought	0	
Sales other than for the benefit of beneficiaries		
Temporary letting and licensing of charitable property		
Inter company management charges for services to subsidiaries		
Recharge of salaries to other organisations		
X Other activities for generating funds		

Investment Income

The items marked 'X' will require analysis in detail on P&L2 to reconcile to the TB totals

X Interest Receivable		
X Investment Income(excluding interest rcd)		
Gift aid from subsidiaries		

Enter data**Remember that turnover in the context****Yellow cells****of a charity includes receipts of a****Change na****capital nature, and items in kind, which may take an entity over audit and exemption limits****and only af****See the detailed rules about turnover limits and exemptions, which are different concepts from normal limited company exemptions**[Charities \(Accounts and Reports\) regulations SI 2868 of 2000](#)[Charities \(Accounts and Reports\) regulations SI 2724 of 1995](#)**Schedule cross refer****in column A against th****Incoming resources from charitable activities**

The items marked 'X' will require analysis in detail on P&L2 to reconcile to the TB totals

Sale of goods and services made by beneficiaries		
Letting of none investment property for charitable purposes		
Contractual payments from public authorities		
Grants for provision for provision of charitable goods and services to be		
Other ancillary trading to benefit beneficiaries		
X Other charitable activities		

Other Incoming Resources

Gain on disposal of programme related investments		
Gain on disposal of intangible assets		
Land and buildings P&L on disposal		

	Leaseholds P&L on disposal		
	Plant & machinery P&L on disposal		
	Losses on disposals of heritage assets		
Costs of generating funds			
	Agent's costs for fundraising		
	Commissions payable		
	Fundraising publicity		
	Cost of fundraising activities		
	Support costs (1)		
	Support costs (2)		
	Support costs (3)		
	Support costs (4)		
	Support costs (5)		
	Support costs (6)		
	Support costs (7)		
	Support costs (8)		
	Support costs (9)		
	Depreciation of assets used for fundraising		
Fundraising Trading - costs of goods sold and other costs			
The items marked 'X' will require analysis in detail on P&L2 to reconcile to the TB totals			
	X Fundraising trading costs		
	Depreciation of assets used for trading		
	Amortisation of intangible assets		
Investment costs			
	Investment management fees		
Expenditure on charitable activities			
	Cost of goods for primary purpose trading		
	Cost of sale of goods or services made by beneficiaries		
	Cost of charitable letting of none investment property		
	Costs of income from public bodies for charitable trading		
	Costs of ancillary trading to benefit beneficiaries		
			Enter data
			Yellow cells
			Change name
			and only at
			Schedule cross reference
			in column A against the
Support costs for charitable activities			
	Gross wages and salaries - charitable activities		
	Employers' NI - Charitable activities		
	Pension contributions charitable employees		
	Salaries recharged to other organisations		
	Employers' NI - Recharged salaries		
	Pensions contributions - recharged employees		
	Volunteers' Costs	7,380	0
	Resource Costs	904	0
	Child Care for volunteers		
	Temporary Staff - Charitable Activities		0
	Travel and Subsistence - Charitable Activities	450	0
	Marketing of services		
	Support costs (1)		
	Support costs (2)		
	Support costs (3)		
	Support costs (4)		
	Depreciation of fixed assets used for charity		
	Depreciation of heritage assets		

Grantmaking

The items marked 'X' will require analysis in detail on P&L2 to reconcile to the TB totals

	X Grants payable in furtherance of the charity's	0	
	X Support costs for grants paid		
Governance costs			
	Trustees' remuneration		
	Employers' NI - Trustees		
	Pension contributions - Trustees		
	Indemnity Insurance		
	Trustees' expenses		
Employee costs	Salaries - Administrative staff	3,557	
	Pension Contributions - administrative staff		
	Employers' NI - Administrative staff		
	Temporary staff and recruitment		
	Training and welfare		
	Payroll costs		
	Travel and subsistence		
	Motor expenses		
	Entertaining		
	Recruitment expenses		
	Employment spare (1)		
	Employment spare (2)		
Legal and Professional	Reporting Accountant fees		
	Independent Examiner's Fees	0	
	Auditors' remuneration	0	
	Other fees paid to the Examiners/auditors	0	
	Accountancy fees other than examiners/auditors	230	
	Legal fees	0	
	Consultancy fees	0	
	Legal and professional spare (1)	0	
	Legal and professional spare (2)	0	
	Legal and professional spare (3)	0	
Premises Expenses	Rent payable	7,086	0
	Rates, water and service charges	0	0
	Room Hire	558	
	Light and heat	2,302	0
	Cleaning	524	
	Premises repairs and renewals	1,320	
	Alarm maintainance		
	Premises spare (1)		
	Premises spare (2)		
General Admin	Telephone and fax	50	0
	Postage	0	0
	Stationery and printing	335	0
	Courier Services		
	Information and publications		
	Subscriptions		
	Equipment expenses	1,143	
	Hire of equipment	0	
	Software		
	Health and safety costs	140	
	Advertising and PR		
	Bank charges	0	
	Admin costs spare (1)		
	Admin costs spare (2)		
	Insurance		
	Bad debts		
	Sundry expenses		

	Depreciation of governance assets	
Gains and losses on assets other than fixed assets		
Gains are negative Losses are positive The above two rows should agree in total to the total of realised gains and revaluations on the balance sheet section of the TB	Actuarial gains on defined benefit schemes	
	Realised gains on disposal of investments	
	Unrealised gains on investment	
Charities normally nil Charities normally nil Charities normally nil	Interest payable	
	Corporation Tax	
	Deferred tax	
	Gift Aid Payments	
	Dividends payable	
Retained (profit)/loss		-6,017 0
		<div>Enter data</div> <div>Yellow cells</div> <div>Change name</div> <div>and only at</div> <div>Schedule cross refer</div> <div>in column A against th</div>
BALANCE SHEET		
Intangible FA		
Ensure bfwd agrees	Cost - b/fwd	
	Cost - additions	
	Cost - disposals	
	Amortisation - b/fwd	
Ensure bfwd agrees	Amortisation - provided in year	
	Amortisation - disposals	
Land & buildings - freehold		
Ensure bfwd agrees	Cost - b/fwd	
	Cost - additions	
	Cost - revaluation	
	Cost - disposals	
Ensure bfwd agrees	Depn - b/fwd	
	Depn - charge for the year	
	Depn - revaluation	
	Depn - disposals	
Plant & machinery		
Ensure bfwd agrees	Cost - b/fwd	
	Cost - additions	
	Cost - disposals	
	Depn - b/fwd	
Ensure bfwd agrees	Depn - provided in year	
	Depn - disposals	
Leasehold premises		
Ensure bfwd agrees	Cost - b/fwd	
	Cost - additions	
	Cost - disposals	
	Depn - b/fwd	
Ensure bfwd agrees	Depn - provided in year	
	Depn - disposals	
Heritage assets		
	Heritage assets - enter NBV and analyse in notes	

Extract programme related investment gains and enter in the profit and loss section under costs of generating funds and reduce the net realised gains below accordingly

Property Investments

Ensure b/wd agrees

should agree to PL section of the TB

B/wd
Additions
Net realised (gains)/losses
Increase/(decrease) in value on revaluation
Disposal proceeds

**Losses are negative
Gains are positive**

Investments - listed

Ensure b/wd agrees

should agree to PL section of the TB

B/wd
Additions
Net realised (gains)/losses
Increase/(decrease) in value on revaluation
Disposal proceeds

**Losses are negative
Gains are positive**

Investments - unlisted

Ensure b/wd agrees

should agree to PL section of the TB

B/wd
Additions
Net realised (gains)/losses
Increase/(decrease) in value on revaluation
Disposal proceeds

**Losses are negative
Gains are positive**

Cash held by investment advisors

Stocks

Debtors and prepayments

Trade debtors
Loans Made
Other Debtors
Amounts due to associated or subsidiary undertakings
Taxation Recoverable
Prepaid expenses
Accrued income

Current asset investments

Listed
Unlisted

Cash and bank

Cash at bank and on hand

0

Creditors less than 1yr

Overdrafts
Bank loans
PAYE & NI
VAT
Corporation Tax
Other Taxes
Funds held for third parties
Dividends Payable
Finance lease and HP contracts
Trade creditors
Amounts due to associated or subsidiary undertakings
Accruals
Unpaid pension contributions
Unrestricted & Designated grants in advance & deferred income
Restricted grants in advance & Deferred income

Charities normally nil

Charities normally nil

Creditors greater than 1yr

Bank loans
Finance lease and HP contracts
Trade creditors
Amounts due to associated or subsidiary undertakings
Accrued expenses

	Unrestricted & Designated grants in advance & deferred income Restricted grants in advance & Deferred income	
Provisions		
Ensure bfwf agrees	B/fwf Charged to the p/l account Change of rates in tax on bfwf bals Movement on ACT	
	Defined benefit pension asset/liability Pension reserve	
Accumulated funds/Revenue reserves		
Share capital		
Ensure bfwf agrees	B/fwf Issued in year	
Endowment funds		
Ensure bfwf agrees	B/fwf Movement in the year	
Unrestricted revenue funds		
Ensure bfwf agrees	B/fwf	
Do not enter current year	Surplus/loss in year Transfer to/from other funds	
Restricted revenue funds		
Ensure bfwf agrees	B/fwf	
Do not enter this year	Surplus/loss in year Transfer to/from other funds	entered automatically >
Revaluation reserve		
Unrestricted revaluation reserve		
Ensure bfwf agrees	B/fwf Gains on revaluation of fixed assets for charity's own use Transfer to/from other funds	
Restricted revaluation reserve		
Ensure bfwf agrees	B/fwf Gains on revaluation of fixed assets for charity's own use Transfer to/from other funds	
Funds for fixed assets		
Restricted fixed asset Funds		
Ensure bfwf agrees	Bfwf Movement in year Transfer to/from other funds	
Designated fixed asset Funds		
Ensure bfwf agrees	Bfwf Movement in year Transfer to/from other funds	
Designated Revenue Funds		
Ensure bfwf agrees	B/fwf Movement in year Transfer to/from other funds	
Totals (all should be zero)		
Differences on profit Bfwf (see below)		
Proof of inter fund transfers (which should equal zero)		
	Unrestricted revenue funds Restricted revenue funds Unrestricted revaluation reserve Restricted revaluation reserve Designated fixed asset funds Restricted fixed asset funds	

	Designated funds	
	Proof - Totals should all be zero	
Proof of depreciation charges (which should equal zero)		
Profit and Loss Account	Including impairment	
	Depreciation of assets used for fundraising	
	Depreciation of assets used for trading	
	Amortisation of intangible assets	
	Depreciation of fixed assets used for charity	
	Depreciation of governance assets	
	Depreciation of heritage assets	
	Total P&L	
Balance sheet	Including impairment	
	Intangible fixed assets	
	Land and Buildings	
	Land and Buildings - depn on revalued assets	
	Plant and Machinery	
	Heritage assets adjustments	
	Leaseholds	
	Total BS	
	Proof - Totals should all be zero	
Note heritage assets are shown at wdv in the balance sheet - hence the adjustment		
The adjustment should be checked to see it has been properly accounted for		
Proof of comparative profit bfw		
	Per P&L account	
	Bfw on unrestricted funds in balance sheet	
	Bfw on restricted funds in balance sheet	
	Proof - Totals should all be zero	
Proof of fixed assets and depn bfw		
		Bfw
		From prior y
	Intangible FA	
	Cost	0
	Depn	0
	Land & buildings - freehold	
	Cost	0
	Depn	0
	Plant & machinery	
	Cost	0
	Depn	0
	Leasehold premises	
	Cost	0
	Depn	0
	Proof - Totals should all be zero	
Note heritage assets are shown at wdv in the balance sheet and will need specific check		
Proof of bfw and cfw funds		
		Bfw
		From prior y
	Share capital	0
	Endowment funds	0
	Unrestricted revenue funds	0
	Restricted revenue funds	0
	Unrestricted revaluation reserve	0
	Restricted revaluation reserve	0
	Restricted fixed asset Funds	0

Designated fixed asset Funds	0
Designated Revenue Funds	0
Proof - Totals should all be zero	

Proof of internal consistency of accounting entries

For details see above

Difference on fund transfers

Difference on PL ac and BS depreciation

Profit bfwd on TB

Fixed assets and depn

cfwd and bfwd

Bfwd and cfwd funds

England & Wales ONLY - Not Scotland

Total
£

Comparative
£

in blue cells

s should not be altered - contain formulae or are used by cross reference

rratives only with great care

ter referring to SORP

nces may be entered

e narrative headings

iance with CC31 directions issued by the Charity Commission

Check the Links page

for a wealth of external resources

[Links to external resources page](#)

0	0
0	0
0	
0	
0	
-31,996	0

Links to other parts of the account

Tab to the relevant Excel worksheets in this tab

Links [Links to external resources page](#)

TB [Trial Balance entry](#)

Data [Data sheet](#)

Cover [Front page of accounts](#)

Contents [Contents page of acs](#)

Director [Trustees Report](#)

Audit [Independent Examiner's Report](#)

PL [Statement of Financial Activities &](#)

BS [Balance Sheet](#)

CF [Cash Flow Statement](#)

Notes [Notes to the accounts](#)

DetailPL2 [Detailed schedule to the SOFA](#)

Appendix [Activity analyses per the SORP](#)

Library [Standard texts and explanations](#)

Disclosure [Disclosure checklist](#)

History [Details of amendments to template](#)

CFworking [Internal workings for cash flow](#)

Workings [Internal workings for acs](#)

CC31 [Independent Examination direction](#)

[Or for charities in Scotland - see OSCR guidance](#)

0	
0	0
0	
0	
0	
0	
0	
0	
0	

0	
0	
0	

in blue cells

s should not be altered - contain formulae or are used by cross reference

rratives only with great care

ter referring to SORP

nces may be entered

e narrative headings

0	
0	
0	
0	
0	
0	

0	
0	
0	

[illegible]

0	
0	
0	
0	
0	
0	
0	
-6,017 0	0

in blue cells

s should not be altered - contain formule or are used by cross reference

rratives only with great care

ter referring to SORP

nces may be entered

ne narrative headings

0	0

	0	0
	0	
		0
This yr	Last yr	
-	-	
-	-	
n/a	-	
-	n/a	
-	n/a	

ts production file
mplate

I&E ac

es

is 2008

ice

HAWA**Data not obtained from trial balance****AutoHide is on** [See disclaimer & terms](#)*Enter data in the blue spaces Enter numbers as + unless indicated***Incorporated charity - Exempt from external scrutiny**

Enter data in blue cells
Yellow cells should not be altered - contain formulae

Client **HAWA** **Year/Period ?**
Client Code/Ref
Type of appointment independent

Basic permanent data

Units (eg £ or £000) £ include a trailing space
Charity registered number
Company Registered Number 9694355
Date of incorporation 01/25/2010
Registered Office Unit 6, Market Lane, Edgware, Middlesex
Telephone

Additional data required for optional cash flow statement only

New loans raised
New finance leases and HP contracts
Redemption of finance leases and HP con. on sale of assets

£

Approval date of the accounts by the board 04/28/2013
Date of signing on the audit/accountants report 04/28/2013
Name of director/secretary signing directors report YUSUF ALI
Name of director signing balance sheet ABSHIR MOHAMED
Name of auditors/accountants Pride & Co
Type of firm (eg Chartered Accountants) Certified Public Accountants
Address of accountants
Line 1 322 Premier House
Line 2 112 Station Road
Line 3 Edgware
Line 4 Middlesex
Line 5 HA8 7BJ

Accounts presentation data

HAWA

Data not obtained from trial balance

AutoHide is on

[See disclaimer & terms](#)

Enter data in the blue spaces Enter numbers as + unless indicated

Incorporated charity - Exempt from external scrutiny

Page details - enter the page numbers as appropriate

The notes on pages

or are used by cross reference

From
To

1 April 2020
31 March 2021

e

ex, HA8 0LP

Check the Links page
for a wealth of external resources
[Links to external resources page](#)

Links to other parts of the accounts produced

Tab to the relevant Excel worksheets in this template

Links	Links to external resources page
TB	Trial Balance entry
Data	Data sheet
Cover	Front page of accounts
Contents	Contents page of acs
Director	Trustees Report
Audit	Independent Examiner's Report
PL	Statement of Financial Activities & I&E ac
BS	Balance Sheet
CF	Cash Flow Statement
Notes	Notes to the accounts
DetailPL2	Detailed schedule to the SOFA
Appendix	Activity analyses per the SORP
Library	Standard texts and explanations
Disclosure	Disclosure checklist
History	Details of amendments to templates
CFworking	Internal workings for cash flow
Workings	Internal workings for acs
CC31	Independent Examination directions 2008

[ms](#)

England & Wales ONLY - Not Scotland



[Or for charities in Scotland - see OSCR guidance](#)

7 to 19 form an integral part of these accounts.

ction file

HAWA
Report and Accounts
For The Year Ended
31 March 2021

HAWA
Report and accounts
Contents

	Page
Charity and Company information	1
Trustee's Report	1
Accountants' report	5
Statement of Financial Activities	6
Income and Expenditure account	7
Statement of total recognised gains and losses	8
Movements in Accumulated Funds	9
Balance sheet	10
Notes to the accounts	11

HAWA

The report of the trustees for the year ended 31 March 2021

Introduction

The trustees present their annual report and accounts for the year ended 31st July 2017. The board of trustees are satisfied with the performance of the charity during the position at 31st July 2017 and consider that the charity is in a strong position to carry out its activities during the coming year, and that the charity's assets are adequate to fulfil its

Name, registered office and constitution of the charity

The full name of the charity is SERAD (Skills education research and development) Ltd

Date of incorporation	03/30/2010
Company Registration Number	9694355
The Registered Office is	Unit 6, Market Lane, Edgware, Middlesex, HA8 0
Charity Registration Number	0
The telephone number is	0207 998 0308

A summary of the objects of the charity as set out in its governing document.
A summary of the objects of the charity as set out in its governing document.
THIS WILL AUTOHIDE AUTOMATICALLY

THE FOLLOWING SECTION IS MANDATORY FOR ALL CHARITIES AND IT IS NOT PERMITTED TO OMIT IT. SERP 44(a).
To provide education and training for young people who are in need of help and support. To provide help and support to young people who are in need of help and support. To provide help and support to young people who are in need of help and support.

To rise awareness about the importance of Ethnic minority's education and cultural education, integration and cultures and language.

To provide and assist in the provision of facilities in the interests of social welfare for ethnic minority community who need such facilities by reason of their youth age.

Public benefit that is provided by the charity

Relief of those in need by reason of youth, age or other through providing educational projects as a means of advancing in life and helping young people develop their skills and capabilities to enable them participate in society as independent, mature and individuals and to advance education and relieve unemployment.

Summary of main activities of the charity in relation to its objects

The charity has been established for the purpose of providing education and training for young people who are in need of help and support. The charity has been established for the purpose of providing education and training for young people who are in need of help and support. The charity has been established for the purpose of providing education and training for young people who are in need of help and support.

THE NEXT SECTION IS MANDATORY FOR ALL CHARITIES AND IT IS NOT PERMITTED TO OMIT IT. SERP 44(a).
The organisation is a charitable company limited by guarantee, incorporated in England. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

The methods adopted for the recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and the company's Articles are known as members of the management Committee. Under the provisions of the Memorandum and Articles of Association the members of the management Committee are required to elect and appoint new trustees.

The report of the trustees for the year ended 31 March 2021

Reserves

must have regard to the 2005 FRSSE and Companies Act requirements, which require the directors to prepare financial statements for the year under review that give a true and fair view of the charity's financial position, other organisations that the charity has entered into joint arrangements with, and other organisations that the charity has entered into joint arrangements with.

The financial statements are set out on pages 5 to 8. The financial statements have been prepared implementing the 2005 Revision of the Statement of Recommended Practice Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (revised in June 2008) and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008). As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.

The total reserves at the year end after accounting for unrealised losses of £0 stand at £4.147.

Free unrestricted liquid reserves amounted to £1,980.

There have been no movements in fixed assets.

[illegible]

The report of the trustees for the year ended 31 March 2021

Mr. Mohammad Hassan,

The directors/trustees are all members of the charity

accounts, were approved were:-

THE FOLLOWING SECTION IS MANDATORY AND MUST NOT BE OMITTED:-

Mr Mustafa Noor.

[illegible]

May be auto-hidden and POLICIES AND PARAGRAPHS all apply to all audits;
 2007- select suitable accounting policies and then apply them consistently;

- prepare the financial statements on the going concern basis unless it is

- state whether applicable accounting standards and statements of

- The Trustees are also responsible for maintaining adequate accounting records which with reasonable accuracy at any time the financial position of the charity and sufficient to show and explain the charity's transactions and enable them to ensure financial statements comply with the Companies Act 2006 and comply with regulations under the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of other irregularities.

The key objectives of the children under policies and paragraphs

...of which the auditors are unaware, and ...

any relevant audit information and establish that the auditors are aware of that information.

11. **How many times have you been arrested in the past 12 months?** **Year Under arrest** 10/15/16

maple: 0.99.0-rc-practice [SERIES]

On the mistakes have taken all steps that they ought to have taken to make themselves

HAWA

The report of the trustees for the year ended 31 March 2021

any relevant accounting information and establishing that the accounts are of a high quality and that the following section is mandatory and must not be omitted for any
Director and Trustee
MUST BE COMPLETED AND MUST BE SIGNED BY ALL APPLICABLE INDIVIDUALS
2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021

7
year and the
o continue its
obligations.

0LP

ument.

47(a) Its that
y need about

I heritage by
rity forms of

recreation of

ion, training
ls, capacities
d responsible

describing how
the average
ed by one of
s facilitate its
and a priority

MISSIBLE TO
the united
established the
ssociation. In
amount not

and under the
requirements
committee are

committees are
possible to
at the next
voluntarily
ies on young
appropriately

is conducted and
to mitigate
new risks and
this is being
likely to be
the standard and
n light of the
ed funds not
six months
a charity and
continue the
esent level of
nsidering the
urpluses, the
e short term
activities and

cn may have
s supported
ons and other
been should
ce for
d and
rd for
t, the
been
: STILL

ar of a
ture of

d at £

s supported
arity acts
s supported
nded
relationships. If
y under the

and their
companies

not reported
report and

IP(42)
that reported
; senior staff
operated as a
SS could read
police staff
e financial
airs of the
ves aware of
preparing
ation.
incorporated
on

h disclose
which are
e that the
ions made
ets of the
fraud and

that reported
ouraged as a
police staff
o companies
ves aware of
ation.
incorporated
IP(42)
operated as a
SS could read
police staff
e financial
airs of the
ves aware of
preparing
ation.

propaganda
incorporated
the date the
document was
created

Wavelengths of the first five orders of the diffraction gratings are given in Table 2. The first five orders of the diffraction gratings are given in Table 2. The first five orders of the diffraction gratings are given in Table 2.

As described on the balance sheet you are responsible for the preparation of the the year ended [date] set out on pages 4 to 11 and you consider that the company has prepared the accounts in accordance with the Companies Act 2006. I have reviewed the accounts and have not identified any material misstatements. I have also reviewed the accounts and have not identified any material misstatements. I have also reviewed the accounts and have not identified any material misstatements.

REPORT ON THE RESPONSIBILITIES OF THE TRUSTEES
The accounts of the charity for the year ended 31 March 2021 are set out on pages 4 to 11 and you are responsible for their preparation.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

STATEMENT OF THE TRUSTEES
The trustees of the charity have prepared the accounts in accordance with the Companies Act 2006 and the Charities Act 2006.

HAWA

Statement of Financial Activities

for the year ended 31 March 2021

Layout of the SOFA ,Presentation of Information and Structure of the Statement Adaptation of Formats

Unrestricted Funds Restricted Funds

THIS WILL AUTOHIDE AUTOMATICALLY

SORP 87 states **Notes** **2021** **2021**

'The three columns in the Statement of Financial Activities providing an aggregate total of unrestricted, restricted and endowment funds of a charity will often contain several individual funds explained in greater detail in the notes to the accounts (see paragraph 79). If any one of these funds is of particular materiality and the charity trustees wish to draw

Income generated from generated funds **£** **£**
Voluntary Income 31,996

THIS WILL AUTOHIDE AUTOMATICALLY **2021**

Total incoming resources **51,996**

Costs of charitable activities **25,979**

Total resources expended **25,979**

SORP 119 states **2021**

Net incoming resources **6,017**

before transfers between funds **-**

Transfers between funds **-**

Gross transfers between funds **-**

THIS WILL AUTOHIDE AUTOMATICALLY **-**

SORP 88 states **6,017**

Net incoming resources before **-**

before transfers between funds **-**

Transfers between funds **-**

Gross transfers between funds **-**

THIS WILL AUTOHIDE AUTOMATICALLY **-**

SORP 89 states **6,017**

See the reference to SORP 217 above **-**

SORP 217 states **-**

See the reference to SORP 217 above **-**

SORP 217 states **-**

See the reference to SORP 217 above **-**

SORP 217 states **-**

See the reference to SORP 217 above **-**

SORP 217 states **-**

See the reference to SORP 217 above **-**

SORP 217 states **-**

HAWA

Statement of Financial Activities

for the year ended 31 March 2021

thus incoming resources and resources expended can be linked together by using similar headings in different parts of the Statement of Financial Activities.

Income and Expenditure Account
 The above will require manual amendments to headings etc

SORP 90 should be reviewed if there is a cessation or commencement of o
SORP 218(c) states

revaluation gains or losses (which are not considered to be impairment losses (see p
 entered to revaluation reserve on the trial balance as stated above but should
 depreciation under the relevant category of expenditure.

Turnover
SORP 91 States
 'Category headings should be omitted where there is nothing to report in both the
 periods.' A charity may also vary the order in which it presents activity categories
 gains and losses arising on disposal, revaluation or impairment of fixed assets - when
 resources and resources expended sections of the Statement of Financial Acti
 presentation needs.
Gross surplus

SORP 92 states
 'Where, as a result of adopting the activity approach, (see SORP 93 below) the
 Statement of Financial Activities change from those used in the prior year, comparat
 restated in accordance with FRS 18 (Appendix 2).'

SORP 93 states
 'The classification of incoming resources and resources expended by activity is encour
 charities preparing accruals accounts. Smaller charities may be excused from ad
 legislation recognising that such information is likely to be less relevant to the users of
 accounts. Where a small charity adopts an alternative approach to analysis within the
 Although it may appear to fix in the face of everything we accountants have ever beer
 FRS 2005 at paragraph 12.6 and the proforma profit and loss account in the FRS
 effect that dividends should no longer be shown on the face of the profit and loss
 provided on the face of the Statement of Financial Activity. These concessions for sma
 summarised in Appendix 3.
 The notes on pages 7 to 19 form an integral part of these accounts.

HAWA
Statement of Financial Activities
for the year ended 31 March 2021

This template deals with small charity exemptions in the following manner :-

Statement of Total Recognised Gains and Losses

Receipts and payments exemptions - not covered - this template is an accruals template
FRSSE - covered in full - this is a FRSSE compliant template. **Non FRSSE companies**

with care **2021**

Other exemptions that are not encouraged but are permitted, even though
 Excess of expenditure over income before realisation of assets 6,017

template permits but does not encourage such variations 6,017

Grants for the acquisition of fixed assets -

Net Movement in funds before taxation 6,017

Movements in revenue and capital funds
for the year ended 31 March 2021

Revenue accumulated funds	Unrestricted Funds	Restricted Funds
	2021	2021
	£	£
Accumulated funds brought forward	-	-
Recognised gains and losses before transfers	9,316	-
	9,316	-
Closing revenue accumulated funds	9,316	-

THIS WILL AUTOHIDE AUTOMATICALLY

Insert the actual transfers below and they will automatically transfer to other cells if between funds that do not involve revenue reserves will have to be entered manually.

The purposes for which the designated funds have been established are described in the notes to the accounts. In the totals on all the funds will have to be manually reconciled to ensure that all fixed asset funds represent the written down value of tangible fixed assets subject to reconciliation of funds. They should agree to the written down value of tangible fixed asset funds. Therefore the total of tangible fixed asset funds should agree to the written down value of tangible fixed asset funds.

THIS WILL AUTOHIDE AUTOMATICALLY

2021 2021 2021

SORP 74 states

Revenue accumulated funds Activities should reflect the principal movements between

The funds transferred to capital reserve represent those restricted funds expended or funds. Refer to the accounting policies note, note number 1. agree to the Balance Sheet

The notes on pages 7 to 19 form an integral part of these accounts.

ent, and

Total Funds

2021	2020
£	£
al for unrestricted,	
which will be	
of these funds (or	26,079
w the attention of	
to display such	26,079
o unrestricted	
er resources. The analysis	
er were and	16,788
have two generated by	
another for other	
ment of financial	16,788
n the title and not	
resources are generated	
activities on a reasonable	
the face of the SOFA	

ails on 'DetailPL2' and

als. For example,	
g resources available for	
to the SOFA, which sets	
uld be disclosed in the	
be very careful when	9,291
es'	

6,017 15,308

reserve for the heading
ined in the Statement of
stricted as appropriate.
A loss on impairment
by the said statement.
does not in the grade and
undetermined repairs and
this and his approach would
(resources)
on approach in relation to
.A1b (activities
impairment losses which
the said statement

similar or identical

here and should **not** be
be shown as additional

perations, and if FRS3

paragraphs 267 - 272)) on
losses on revaluations of

current and proceeding
ries within the incoming
ther help for the charity's
ivities to meet its own
the investment or other

categories shown in the
tives will also need to be

aged for all
opting this approach by
f small charity

Statement of
I taught, the
where these
SE have the
ormation is
account, but
let charities are
at this point,

template
 should use this template
not good practice - this

Total Funds	
2021	
£	
-	
9,316	
9,316	
9,316	
in the templates. Transfers	
Asset Funds is described	
ed in the notes to the	
automatically transfer to	
the transfers have been	
to restrictions. (restricted	
also Funds conciled to the	
s (designated fixed asset	
wn value of tangible fixed	
2021	
9,316	
in the opening and closing	
in capital projects, and as a	
(28,928)	

HAWA

Notes to the Accounts

for the year ended 31 March 2021

1 THIS WILL AUTOHIDE AUTOMATICALLY Preparation. FRSE or FRSs ?

Basis of preparation of the accounts

Firstly it should be noted that the International Accounting Standard compliant accounts utilised are the SORPs issued for the prior period (a

The financial statements have been prepared in accordance with all applicable accounting standards, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England

Wales, effective April 2005 (revised June 2008). The accounts have been drawn up in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 and the Companies Acts, and include the results of

charity's operations which are described in the Trustees' Report, all of which followed by the accounts in preference to the FRSE, in order to comply with

Basis of preparation of the accounts and Accounting standards

In this template where such conflicts have been identified, then the disclosure

Advantage has been taken of Section 396(5) of The Companies Act 2006 to a the format of the financial statements to be adapted to reflect the special nature of the company's operation and in order to comply with the requirements of (see Appendix 2: FRS 18).

If the FRSE is not adopted then Alternative 2 should be used. The accounts will

The financial statements are prepared on a going concern basis, under the historical cost convention, unless otherwise stated, and are prepared in accordance with the requirements of the specific FRS, but care should

be taken to ensure that the accounts are prepared in accordance with the requirements of the specific FRS, but care should be taken to ensure that the accounts are prepared in accordance with the requirements of the specific FRS, but care should

Income MANDATORY

(c) Urgent Issues Task Force abstracts (UITFs);

In addition, resources are accounted for on a receivable basis.

All incoming resources are included in the statement of financial activities, with income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following income and the amount can be quantified with reasonable accuracy. The following

HAWA

Notes to the Accounts

for the year ended 31 March 2021

Resources Expended

The policy for including items within the relevant activity categories of resources expended is that items are recognised as soon as there is a legal or constructive obligation committed to the charity.

MANDATORY

THIS WILL AUTOHIDE AUTOMATICALLY

In particular the policy for including items within costs of generating fund governance costs **these policy notes may (where relevant) include:**

Costs of generating funds

(i) The policy for including items within the relevant activity categories of resources expended where incoming resources have related expenditure (as with fundraising costs) and related expenditure are reported gross in the SoFA.

(ii) charitable activities;

Charitable activities

(i) The methods and principles for the allocation and apportionment of all (or categories of) resources expended where the benefit to the charity is reasonably quantifiable. The value placed on these resources is the estimated value to the charity of the facility received.

Where the costs apportioned are material, then further clarification on the necessary including the proportions used to undertake the calculations.

MANDATORY IF APPLICABLE

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

As a registered charity, the company is exempt from income and corporation tax. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only. Value Added Tax (VAT) is not payable on the supply of goods and services for charitable purposes only.

HAWA

Notes to the Accounts

for the year ended 31 March 2021

These are the mandatory disclosure requirements

Rentals and other assets used under finance leases and hire purchase contracts should be disclosed in the Statement of Financial Position. Remember that turnover in the context of a charity means 'gross receipts and income received in kind, and this may cause an entity to appear to be in the financial services business. This will automatically autohide. This will autohide automatically. This note may be used if insurance has been paid for trustees. SORP 239 states IF ONLY TRUSTEES OR ONLY EMPLOYEES ARE INSURED.

The notes to the accounts should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

- 3 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees
- 4 Detailed analysis of certain transactions required by the 2005 revision of Recommended Practice for Accounting and Reporting issued by the auditors independent examiner and reporting accountants for other disclosed

232 Sometimes trustees act as agents for the charity and make purchases of various items which are required by the 2005 revision to the Statement of Financial Position and Reporting issued by the Charity Commission. Such purchases should be disclosed in the notes to the accounts. Expenses paid to trustees or persons connected with them should be disclosed separately. Detailed analysis of certain transactions required by the 2005 revision of Recommended Practice for Accounting and Reporting issued by the auditors independent examiner and reporting accountants for other disclosed

233 Where the trustees have received no such expenses, this fact should be inserted in the text required by SORP 239. This is mandatory and will be

- 5 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

234 Where the trustees have received no such expenses, this fact should be inserted in the text required by SORP 239. This is mandatory and will be

- 6 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

235 The total staff costs should be shown in the notes to the accounts. This includes the costs of staff who are employed by the charity, whether or not they are paid by the charity. The charity should also disclose the costs of staff who are employed by other charities or by the State, but who are paid by the charity. The charity should also disclose the costs of staff who are employed by other charities or by the State, but who are paid by the charity.

- 7 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

236 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

- 8 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

237 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

- 9 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

238 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

- 10 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

239 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

- 11 The charity should disclose separately the amounts payable to trustees or persons connected with them. Expenses paid to trustees or persons connected with trustees

become the basis for SORP
in 2010)

able
of them should be deleted
nd &
awn
with the SORP year the SORP
RFS, and therefore they must be
ith the SORP. Hence the second
are

posure is in accordance with the
prepared on the going concern
vant, reliable, comparable and
the SORP

company net of value added
ing the SORP compliant. However,
should be disclosed to external
cost convention. Disclosures
ould be taken to ensure that any

for the charity is entitled to the
wing policies apply to particular
source should be given. This will
those should be reviewed in the
hoped to full in the statement of
sale through the charity's shop
sold
valuation;
states **MANDATORY** grants for the
al Activities in the year in which
the text applies

r restricted;
nt of Financial Activities net of
ble basis. But non was received

ds, facilities and services to be

changing for the specific item
should be disclosed under the
and specified by the donor as re
which are still to be met, and w
the specific note are deferred
in the notes to the accounts and t

vant
rs the underlying criteria. **SORP**
her this a policy issue, or simply
it note in the subsequent part of
accounting principles, modified
t of Recommended Practice for
sioners for England & Wales .

resources expended is, liabilities the
the charity to pay out the
even.

Is, charitable activities and

resources expended should be
g or contract income) the

its between the different activity
in an equivalent amount in
artificial, measurable and
harmony of the service or

method of apportionment used is
nt

on tax to the extent that its
ax is not recoverable by the
RUSSIAN RE DISCOUNTS
Financial Activities
in financial activities from the
apportionment of costs between
the different activities and
the different market value but may
of a multi-purpose activity (see
in the recipient charity's
which are allocated to charitable
which are expendable as the
may be held in order to
the needs of the charity, including the policy for
repayment of such costs of such
transfers may arise, for example,
and it is the policy of the charity
is in accordance with the
of the accounts.

angible fixed assets, and is
e of those assets subject to
within the general fixed asset
which is not required to
suit their circumstances. If
ry

funds to designated funds,

cular circumstances.

: of Recommended Practice for ts
arity Commissioners for England oc
the satisfaction of all depts
n order to comply with the new
transferred to some other

with the FRSSSE

accounting treatments adopted
31 996
d by another party.

HAWA

Schedule to the Statement of Financial Activities

for the year ended 31 March 2021

Status of this schedule to the Statement of Financial Activities

This schedule is an intrinsic part of the accounts required to comply with the 2008 Recommended Practice for Accounting and Reporting issued by the Charity Co Wales, effective April 2008. However, it is not a part of the statutory accounts required by the Companies Act 2006 in relation to incorporated charities.

Incoming Resources

Incoming Resources from generated funds

Gifted time, donated services and facilities

Sponsorship income

31,996

-

Total other voluntary income

31,996

-

Total Voluntary Income

31,996

-

Some income is classified as restricted, either for a specific purpose or for a specific project. This income is shown in the Statement of Financial Activities under the heading 'Restricted income'.

Total Incoming Resources

31,996

-

This will AUTOMATICALLY be carried forward to the next year's accounts.

There is no need to provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

Where the incoming resources are restricted, the charity should provide a breakdown of the incoming resources by activity.

siona

Sponsorship income

manually override if necessary

which is n

ional grants – in which

d positive on the TB
the grant maker or the
d negative on the TB

**ifferences between classes of
s eg from restricted fund**
nd how the grants made
ng these objects.
ted with grantmaking

s that reconcile with the

- › institutions, object being

cluded in the note in this

- nature of the activities or the charity's objectives,
- risks, welfare of people involved in the nature of the charity.
- levels of analysis

ich grants were made as
ther analysis does
s as is needed to

context of grantmaking, the
of institutional
supported. This information
annual Report or by means of a
should be made available by

Enter the costs to be reallocated and they
entries in this section as negative en

Grantmaking

Do not make any entries in these two rows
circumstances. If advantage is taken
necessary

Grantmaking [Type your text here]

Review the detailed disclosure notes in requirement to analyse institutional grant requirements, but it may be that additional fully meet the disclosure requirements

Note the exemption for small charities to analyse by activity, but may circumstances. If advantage is taken necessary. Simply enter the total grant

236

il issues

.....

y will automatically appear in the relevant sections. **Make the tries**

analyse, by resource classifications to suit their
5. They will automatically update when entries are made in the
of this exemption, this reallocation of costs will not be
es expended section

the grants section above. This schedule complies with the
s, and the note ' Analysis of grants' meets the other disclosure
al text is required either here or in the notes to the accounts to

as not subject to a statutory audit which is not required
analyse by resource classifications to suit their
en of this exemption, none of this analysis will be
nts on one line

HAWA

Analysis by activities of total expenditure, grants, support costs and charitable expenditure

Appendix 1

THIS WILL AUTOMATICALLY AUTOHIDE

Analysis of Total Incoming & Outgoing Resources by Activity

SORP 122 states

for the year ended 31 March 2021

Where material, details of the types of activities undertaken to generate voluntary income should be provided either on the face of the accounts or in the notes to the accounts. As far as possible the analysis categories provided here should match the detailed analysis of activities generating voluntary income.'

	Grants	Public Grant	BBC Fund	Grassroots Funding	Activity 4	Activity 5
	£	£	£	£	£	£
There are also other sections in the SORP which prescribe analysis of various items by activities, using tables whose layout is as follows:						
Incoming resources from generated funds (Tables 1, 3 and 6) and paragraphs 146, 156/167, 175/176, 183/184						
Voluntary Income	-	-	-	(7,785)	-	-
Activities for generating funds	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Incoming resources from charitable activities	-	-	-	-	-	-
Other Incoming Resources	-	-	-	-	-	-
Total Incoming Resources	-	-	-	(7,785)	-	-
A description of the activity will have to be used to replace 'Activity 1' etc.						
Costs of generating funds						
Costs of generating voluntary income	-	-	-	-	-	-
Fundraising trading costs of goods and other costs	-	-	-	-	-	-
Investment management costs	-	-	-	-	-	-
Costs of charitable activities	-	-	-	-	-	-
Governance costs	-	-	-	-	-	-
Other resources expended	-	-	-	-	-	-
Total resources expended	-	-	6,324	-	-	-
Net Incoming Resources by activity	-	-	(6,324)	(7,785)	-	-

Proof this line will autohide if the cross cast is correct and agrees to the TB- see difference to right

HAWA

Appendix 2

Analysis of Total Support Costs by Activity for the year ended 31 March 2021

	Grants	Public Grant	BBC Fund	Grassroots Funding	Activity 4	Activity 5
Nature of support costs	£	£	£	£	£	£
Management	-	-	-	-	-	(250)
Finance	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
Human Resources	-	-	-	15,640	-	-
Total support costs analysed by activity	-	-	-	15,640	-	(250)

2021
£

The above amounts are shown in the accounts as

Support costs for generating voluntary income	-
Support costs for fundraising trading	-
Support costs for charitable activities	25,979
Support costs for grants paid	-
	25,979

The basis of allocation of costs and the methods used are described in note 10 to the accounts

Proof - this line will autohide when total support costs in accounts agree to the analysis above - see difference to right

HAWA

Appendix 3

Analysis of charitable expenditure by activity for the year ended 31 March 2021

	Grants	Public Grant	BBC Fund	Global giving	Activity 4	Activity 5
	£	£	£	£	£	£
Nature of charitable expenditure						
Activities undertaken directly	-	-	-	-	-	-
Support costs of charitable activities	-	-	-	-	-	-
Total charitable expenditure analysed by activity	-	-	-	-	-	-

An explanation of the main features of charitable expenditure is given in note 11 to the accounts

Proof - this line will autohide when charity costs in accounts agree to the analysis above

Appendix 4

Analysis of grants made by activity for the year ended 31 March 2021

	Grants	Public Grant	BBC Fund	Global giving	Activity 4	Activity 5
	£	£	£	£	£	£
Grants to individuals	-	-	-	-	-	-
Grants to institutions	-	-	-	-	-	-
Total grants made analysed by activity	-	-	-	-	-	-

An explanation of the main features of grants paid is given in note 11 to the accounts

*of the Statement of Financial
lysis provided for the costs of*

Total

out is specified by the SORP

31,996

d. If this is done ensure the

-

-

and be attached to the back of

-

31,996

-

-

-

**it may analyse by resource
it will be necessary**

25,979

-

25,979

6,017

(20,126)

**2021
Total**

£

(250)

-

-

15,640

15,390

(10,589)

**2021
Total**

£

-

-

-

(25,979)

**2021
Total**

£

-

-

-

*Formula driven text is placed here and then refe
in the main body of the accounts*

This worksheet also contains reference text whic
the relevant places

The trustees present their report and accounts f

for the year ended 31 March 2021

for the period from 1 April 2020 to 31 March 202

for the year ended 31 March 2021

year

s
s'
present
their
are

The trustees acknowledge their responsibilities f

The directors who served during the year and th

for the information of the directors only

The report of the directors has been prepared in

If full provision had been made for deferred taxa

Net Movement in funds

Library of sample texts taken from real cases that may be adapted to the circumstances

A Trustees Report

A summary of the objects of the charity

Example 1

The charity's objects and principal activities
association continue to be that of promoting

the relevant places
(both religious and secular) consistent with the
fostering good relations with other Christian der

Example 2

To advance Christian religion in accordance with
to relieve poverty of persons in the area of k
clothes and shelter ;
to hold church meetings on Sundays , including
to hold bible studies and housegroups weekly in
to continuously provide soup kitchens and food
to provide free furniture distribution in *;
to provide free childrens' clothing distribution in

Example 3

The object of the charity is to advance the edu
West * by encouraging and promoting the recu
support for, ethnic minority school governors.

Example 4

The Charity's Objects ("the Objects") are:

i) the relief of poverty amongst individuals ar
bodies in * and surrounding areas, the works c
aged, the disabled or the infirm, or of such
renovation and distribution of donated furnitu
trustees think fit.

ii) the promotion directly, of a more efficient
education and disseminate information to enco
the Objects and thereby develop the use of mor

Example 5

The Charity's objects are to promote any char
and surrounding areas ("the area of benefit") b
preservation of health and the relief of poverty,

The principal activity continues to be that of pr
publicly available advice to members of the pu
receive through locally and nationally co-ordin
is delivered through the two main sites locate
based at HM Prison * and through specifically fu
The Bureau's Board, staff and volunteers re
community and as part of the ongoing strat
appropriate funding to meet those needs.

Example 6

The object of the charity shall be the provision
inhabitants of * and * and the neighbourhoo
without distinction of political, religious or othe
classes, and for other forms of recreation and
the condition of life for the said inhabitants; ar
The said land and building shall be held upon tri

Example 7

The charity's principle activities continue to be
children primarily under statutory school age by

* Encouraging parents to understand and provi
groups and by offering appropriate play, educ
together with the right of parents to take resp
of such groups, ensuring that such groups offe
culture religion means or ability

the relevant places

Culture Religion, Means of ability,

- * Encouraging the study of the needs of such children and interest in and recognition of such needs;
- * Instigating and adhering to and furthering the Alliance;
- * To educate boys and girls up to school leaving age to develop their physical, mental and spiritual individuals and members of society and that the

Example 8

a) The relief of sickness and distress amongst victims of, suffering from sexual exploitation, trafficking reference to the role of pimps. Through the provision of support, signposting, education and safe accompaniment

b) To advance public education about prostitution

The charity's aims including the changes through its activities.

Example 1

The Charity aims:-

- 1) to benefit those less fortunate by providing support without charge, thus giving them self esteem and
- 2) to recycle goods wherever possible.

Example 2

The charity shares the aims of the National Association. Ensure that people do not suffer through ignorance; to express their needs effectively, and equally;

To exercise a responsible influence on the development of the community. By its efforts to implement these aims, the charity helps people living in North *, in particular through problems with debt, sustaining tenancies and a adverse effect on their lives.

The Board is satisfied with the performance of the charity in March 2006. It considers that the charity is able to meet its aims and that the charity's assets are adequate to fulfil its

Example 3

The charity's aims are the social, artistic and cultural benefit. For this purpose, the programmes of development are in four phases, of which phases one and two are structurally sound and building an extension to the first floor). The third phase of development is the existing large one plus refurbishment of toilet and

the relevant places
will be initiated in the future to provide, on the
parking facility.

Example 4

The charity aims to provide pre school and v
parents' require it.

Example 5

To work with parents so that they can become a
and abuse of their children .

- 1) To help their own children get free of their abu
- 2) To enable them to become equal partners wit
- 3) To alert government and other agencies to
- implementation of new legislation to combat se
- 4) To enhance public awareness and understand
- including their grooming processes and in
- stereotyping of girls and women in prostitution
- 5) To encourage and support parents to work
- mutual support.

An explanation of the charity's main ob

Example 1

The main objectives are the relief of poverty ,
collecting as much donated furniture as possible
to those determined as having a genuine need.

Example 2

The Bureau continues to work closely with other
the * area which provide a similar service, the a
advice service in the North * area. The charity'
the benefit of the community in * and surrou
protection and preservation of health and the re

Example 3

The main objective of the trustees for the year
intend to keep a close control of our financ
profitability.

Example 4

The charity aimed to attract sufficient children
continued progress, within the parameters of
secure sufficient external funding for its activiti
and by undertaking a variety of worthwhile and
purposes.

Example 5

1. To maintain the direct support of parents in t
the course of the year. To equip parents to beco
2. To develop work in other parts of the countr
the work. (eg * and *)
3. In partnership with others to work with the p
pimps and pimping networks through e.g. the in
4. To influence government policy, particularly i
country' trafficking.
5. To increase the understanding and improv
families affected by pimping

the relevant places
families affected by pimping.

6. To increase the understanding of the general public about child grooming - and the vulnerability of children

Example 6

The main objectives of the charity are the creation of a network of people who can identify the needs of those requiring advice and represent them. To do this, the charity has done new increased and more effective work to coordinate the response to the needs of those identified needs from 04/05 develop clear procedures for the bodies in the city to respond to needs within the

An explanation of the charity's strategy

Example 1

The strategy is to acquire funding in order to sustain the work to continue.

Example 2

The Bureau has a 3-year development plan covering the first three years and strategies for implementation. The Development Committee The Trustee Board held a day long meeting to discuss the current operations and future developments and aims.

The Trustee Board has instituted a review of the current operations organized by Citizens Advice called "Benchmarking" during the next financial year.

Example 3

Reducing costs: Staff costs to be reduced, more efficient use of energy.

Enhance profitability: Creation of new spaces, market research to ascertain a valid demand.

A 5 year business plan to give us a more clear, focused

Example 4

The trustees seek to publicise the charity's activities and grant making organisations on a systematic basis

It also makes its premises and resources available to the public in order that a contribution can be made to the community arising from the fees for such courses.

Example 5

1 and 2. Recruit a new parent support worker and a team leader/parent support worker and half time posts, the staff will:

- equip parents with information about the process of mediation between parents and children; gather information
- support parents in the knowledge that they can access support network days; offer telephone helpline, support groups etc.

3. Convene and service a working party as a partnership press for introduction of appropriate legislation and deliver training to agencies. To speak on the

work with government and agencies; respond to

the relevant places

- work with government and agencies; respond

4. The research worker to continue to respond
research report on the extent of 'in-country' traf

5. To produce a training manual for practition
families and to seek additional training opp
organisations.

6. To seek opportunities to deliver talks and also

Details of significant activities (including those provided) that contribute to the achievement of the purpose

Example 1

In fulfilling its aim of relieving poverty amongs
10,000 items of domestic goods and electrical a
by these accounts.

Within the goods delivered, 600 pieces of furn
than 500 electrical appliances have been check

Example 2

Activities in support of the achievement of the *

Continuing to provide and increase access to ge

- Improving access to premises, including devel
- Recruiting, training and supporting sufficient service
- Developing more services targeted at hard-to-
- Consolidating and expanding services at * pris

Ensuring that the advice provided is of a high qu

- Provision of a full training programme for staff
- Arrangements for the effective supervision of a
- Maintaining referral arrangements with other s
- Using information technology to assist in recor
- Obtaining feedback from clients and using this

Carrying out effective social policy work by:

- Submitting client-based evidence to the social
- Attending local forums to raise issues of conce
- Identifying practices which exacerbate fin
institutions

Example 3

Significant activities are a community café, a
learning classes with possible accreditation, a ne
Groups using the hall include the Darby and J
Language classes, Art classes, Creative writing
Watchers, maths, digital imaging, smoking cess.
There is an advice service and offices for Ass
Learning Net and Action * Mobile. The latter is
needs adults and children locally and abroad. Th
The local * Villages Partnership is also based at

Example 4

The charity provides a variety of activities and c
achievement of the core purposes.

In addition, the programme of adult courses is v

the relevant places
in addition, the programme of adult courses is a
charity to develop it courses for children.

Example 5

1. * was in receipt of a grant, initially from The
Education and Skills under its Family Support Grant
Project Worker for three years full-time (2002-5)
Parent Support Unit, based in *. The aim is to stop
sexual exploitation by pimps and to help them
pursued six key activities:

(i) To identify and make contact with parents in
charitable trusts, has continued to support income
and practical support through face to face meetings
have been handled up to 31 March 2006, mainly

(ii) To equip parents with information and understand
young people are coerced into prostitution. The
Advice to Parents, and various leaflets produced
has also published a Guide to the Sexual Offences
and Pimps: Families speak out about sexual exploitation

(iii) To equip parents to become active players
agencies in contact with their children - e.g. police
build up the capacity and confidence of parents
to build up collaborative links with police and social workers
police officers in West * and South * in conjunction
collaboration with the * of * City Council. She
She is discussing a joint service level agreement

(iv) To equip parents to re-establish or improve
prostitution. * continued to carry out a meeting
conflicting perspectives into greater mutual understanding

(v) To raise awareness with wider groups of
prostitution by pimps. * has continued to
especially the media, to increase awareness of
literature widely. * played a major role in the
considered how children in shopping malls may
matter with the authorities at one large shopping centre
and breaking up of the early stages of targeting

(vi) To champion the rights of parents with regard
regarding their children. * continued to assist parents

The Charity's grant making policies

Example 1

Not applicable as no grants are made.

Social or programme related investment

Example 1

the relevant places

Example 1

There were no such activities

The contribution of volunteers

Example 1

The Charity has a governing board of 8 trustees of up to 10 volunteers at any one time on a range of schemes.

Example 2

The Bureau benefits, as always, from the generosity of volunteers who are highly trained to ensure a high standard of service. Over 48 volunteers in both advice and administrative roles contributed a total of almost 10,000 hours. Trustees/Directors of the Board are not employed and have resigned from the Board due to taking up a position as Treasurer and co-opted onto the Board. There have been 10 new volunteers in the last year.

The Board wishes to express its thanks and appreciation to all friends and family, who have contributed and supported the developing and delivering the services of the * charity to all the funders, whose generosity has enabled it to carry out its projects.

Example 3

Volunteers help with the Luncheon Club, café and other activities. The committee (trustees) is made up of volunteers.

Example 4

Volunteers are crucial to the operation of the charity. Guardians of children using the facility are encouraged to participate in aspects of the charity's activities.

Example 5

* does not have volunteers working for the charity. The mutual support offered by parents to each other is a key part of the volunteer base and this will be a part of the role of the charity to develop in other parts of the country, * will encourage volunteers who would be trained to offer support. Volunteers will include parents themselves - this is as far as possible.

Summary of main activities of the charity

The particular way in which these objects and aims are pursued

Example 1

These objects are pursued in a variety of ways, representing the church community on a number of projects that are pursuing social justice and high standards of service.

Example 2

To accomplish its main objectives, the charity relies on the voluntary services of people which are capable of being redistributed, without the need for local or statutory authorities as having a genuine commitment to the charity.

In addition, electrical goods are collected from the community for safety and suitability.

the relevant places

Within the past year, more than 3,750 collect repair or refurbishment by in house staff were d

Example 3

Core funding for the Bureaux' generalist servi continued on an ongoing annual basis. In Mi following three years was cut by £33,000 to £2 to review its expenditure and staffing levels, a generalist advice service. The new structure, i Delivery and Development Co-ordinator and t Managers with Advice Session Supervisors at e worked effectively.

Example 4

The charity seeks to provide facilities and oppo See previous list of the variety of courses and e'

Example 5

The main activities of the charity are the provisi 4 year olds. The charity operates from 8am to provide all day care for working parents or ses objectives.

A babies and toddlers group meet once per Matters framework.

Wraparound care is provided for primary school walking bus service between school and the children up to the age of 14 years within approx

A wide range of adult learning courses are of classes in order to support the core activities.

Example 6

In relation to object (a):

- support of increasing numbers of parents
- dissemination of information
- building capacity and confidence of parents to
- mediating role between parents and children
- assisting parents to enjoy rights

In relation to object (b):

- increasing awareness of issues through media
- training for other service providers
- contribution to public policy and its implement
- research and publication, e.g. Parents, Children
- third national conference
- website updates

A review of charitable activities undert

Example 1

The staff of the Charity have continued to o donated furniture and white goods to those statutory and support agencies who act for peo

the relevant places

Over the year 2,483 families have been able without any financial charge to themselves. (cookers, washers, fridges etc) were refurbished furniture.

The Charity has continued to provide a service of goods to those less fortunate within the City where resources permit. Accompanying this service in conjunction with the local authority to re-use where possible.

Example 2

We do not, as a rule, undertake charitable activities for charities to achieve their objective.

Example 3

The charity has held a successful ball, holds meetings in hall.

Example 4

1. General

The charity operates from the newly refurbished premises in the different groups of people of all ages and abilities in the surrounding villages of South * and North * and towns of *, * and *. Staff, tutors and volunteer employment within our catchment area and established.

2. Pre-school

Pre-school education is being provided in line with the offers two full pre-school sessions each day, a morning breakfast and after school clubs. The Centre has been open for 10 years. The Centre was running at full occupancy and was acceptable in the remaining morning and afternoon. It has been recruited to develop the children's group and play groups.

3. Breakfast / After-School and Holiday Clubs

The Before and After School Club has increased a valuable facility to a large number of working parents who attend and have included some very popular activities and reputation.

4. Adult Education

In the last year, the Centre has run various courses and targets and outcomes agreed with the Learning Committee. The community's interest in life long learning.

Example 5

* functions largely through the grants it receives. For every year it states what it hopes to achieve and its performance against these criteria. It has received funding from various bodies. This is true for 2005-6. Examples in this report, we refer back to the earlier section on achievements and performance. It should be noted that qualitative criteria are more prominent than quantitative. The charity is helping them to assess and deal with their trauma and gain confidence in themselves and to link up with others affected. The charity provides support, in relating to agencies as valued partners.

the relevant places

Fundraising activities

Example 1 where there is no fundraising (

The charity relies on grant aid from the donors
There have been no other fundraising activities.

Example 2

The only fundraising activities carried out were |

Example 3

Fundraising activities included a Ball, tea dance:

Example 4

The charity has been supported by grants from
fundraising events including the Annual Ball to s

Investment performance achieved again

Example 1

The trustees have adopted a statement of inve
the section of the trustees' report relating to in'

The investment performance is monitored quart
investment principles. The capital return achiev
externally was 5.0% during 2005.

The market investments are primarily with XY:
discretionary manager of equities to limit
comparator.

Monitoring

Each of the investment managers provides a
including comparisons with appropriate externa
Subcommittee meets at least annually with tl
detail and consider any other wider or strateg
managers consider appropriate.

The Investment Subcommittee will keep the n
review and report to the board of trustees at le
monitoring or any other material change of po
consider.

Example 2

There are no investment policies and objectives

Example 3

The Bureau has complied with its investment
section of this report by retaining the bulk of ar
Base Rate Tracker Account. The remainder of th
account to enable it to discharge its outgoings a

Factors relevant to the achievement of

Example 1

Factors affecting the performance of the Char
formulating their strategic plan, particularly rel

the relevant places

the City or the support agencies determine if the Authority withdraw its support then the Charity in any manner should all donations of furniture be divided and would have to implement measures in place to cover

Example 2

Objectives have been achieved with the assistance of:

- Continued funding from * City Council, * Sports giving bodies and organisations with which the Charity has links
- The continuing contribution of the volunteer workforce
- A committed and stable paid staff base
- The co-operation of partner agencies

The achievement of the Bureau's aim of establishing the identified premises ultimately proving unsuccessful was made in 2006-07.

Example 3

To become a self-sustainable enterprise. To attract new volunteers. To continue to access new funding : development programme. To continue to interact with the local community so that they can actively participate in the management team/ trustee.

Example 4

- * Monitoring of fixed costs i.e utilities etc
- * Encouraging private hiring of the hall
- * Maintenance of hall including preventative maintenance

Example 5

- * The existence of similar organisations in neighbouring areas
- * Staff turnover and the impact of maternity leave
- * The continuance of long term funding by public bodies
- * Demographic changes in the local community.

Example 6

- (i) There is a continual struggle to combat the influence of agencies, the media and the general public.
- (ii) One main negative factor is the difficulty of funding to develop the work of *. It proves particularly difficult to develop the work of *. It proves particularly difficult mainly in one local authority area and therefore need national funding but tend to fall between providing sufficient 'education' for parents; yet not enough to support the children and young people. * would argue that supporting them in the long run may be the most effective way.
- (iii) * is a small organisation, with great demands on its resources. It is not easy to remain focussed. We need some advice

Summary of the main achievements of

Example 1

the relevant places

The charity has replaced a van , minibuss and a part time employee.

Example 2

The charity has :-

- * Addressed the under representation of Black a
- * Encouraged the take up of training for potenti
- * Carried out information sessions in the commu
- * Continued to operate a mentoring scheme
- * Supported the work of local governor forums in
- * Developed governor work in * and *

Important events during the period include :-

INSERT

Other key events with significant input from the

INSERT

Other significant work

INSERT

Example 3

Warehouse of furniture and clothing distribution
warehouse building will no longer be available s

A search for replacement premises is proceeding

Other church members continue to assist in oth

Two minibuses were acquired this year, one as
with funds from a charity who wished to remain

Children's outreach (*s Club) continued through
to lack of adult help in *.

The pastor became a full time paid employee fr

Example 4

The Charity has continued to provide a servic
goods to those less fortunate within the City
resources permit. Accompanying this servic
conjunction with the local authority to re-use wh

Example 5

The Bureau assisted people to claim an additi
through 178 representations at appeal tribunals

The Bureau assisted clients in the management
149 Clients were assisted to retain their hom
action .

63 clients were successfully represented at emp

The Bureau established two new projects - the
Centre - and was successful in obtaining cor
Training Project, Financial Skills Project and for
Pension Education Fund for a project due to star

During the year, the Bureau recruited 17 new
paid employment in advice work or a related fie

Example 6

the relevant places

The main achievements of the charity during the period include the successful completion of the capital investment for the sum of £* from * mainstream expenditure in the year 2006/2007. Restructuring the staff situation within the charity has resulted in a substantial saving in salary expenditure. We have also been successful in using the available space.

Example 7

Our main achievements have been a successful completion of all maintenance work carried out and main fire (

Example 8

Subject to the limitations described above, the charity's main achievements:

- support of increasing numbers of parents - near
- increased dissemination of information - includ
- building capacity and confidence of parents to
- mediating role between parents and children
- assisting parents to enjoy rights
- increasing awareness of issues through media
- training for other service providers; increase
- major conferences
- contribution to public policy and its implem
- 'Paying the Price' and the more recent 'Traffickir
- research and publication, e.g. Parents, Childrer
- third national conference .
- increased national recognition e.g. by ACPO (A

Significant changes and developments and plans for the future

Example 1

Important developments during the period include the involvement of the Board, the * Trust and the local authorities in the

Example 2

The charity plans to introduce separate children's services. The charity plans to purchase a building to accommodate its services. The charity plans to lease vehicles in the future.

Example 3

*s objects and broad aims, as set out on pages 10-11. The charity aims and the differences * seeks to make in so far as possible:

1. To work with parents so that they can co-operate with the police in the prevention of exploitation and abuse of their children. This will be done through the work of the Parent Support Worker, and to develop a network of support in the country in collaboration with other agencies.
2. To work with parents to help their own children

the relevant places
with information about the processes of target
between parents and their children to keep
systematically and arrange additional support for

3. To enable parents to become equal partners
knowledge that they too are experts; to advise
agencies, particularly police and social services
relevant agencies.

4. To alert government and other agencies to the
combat sexual exploitation; highlighting the importance
encouraging consistent best practice. Strategy
Worker to develop further relations with strategy
and to respond to further government consultation
implementation.

Nature of the Governing Document and

Example 1

The charity is constituted as a company limited by
memorandum and articles of association. The
charity. Eligibility for membership of the charity
governed by the memorandum and articles of association
document on the operation of the charity or on
general charity law.

OR

The restrictions in the charity's activities impose

Example 2

The Charity is an unincorporated association governed
the charity, and membership of the board of trustees
restrictions in the governing document on the charity
other than those imposed by general charity law

Example 3

The Charity is incorporated and governed by its

The Charity has a Management Committee of
responsibility for policy and major decision making

Day to day management and responsibility for
General Manager. There are 8 full time and 3 part
employment trainees.

The methods adopted for the recruitment

Example 1

When new or additional trustees are required to
to submit nominations and subject to their
Association they are considered by the governing

Example 2

Other than the Trustees and those persons connected
related parties.

Details of transactions with related parties are
remuneration and expenses paid to Trustees.

The Trustees are appointed at the Charity's Annual

the relevant places
third AGM following the AGM at which they were
is filled by co-option of a person onto the board
Annual General Meeting. The District Manager
authorised in the governing document. No third

Example 3

New trustees are recruited from Village Hall register
The appointment of new trustees is proposed
meeting by the members.

Example 4

* seeks to appoint trustees who have relevant
included ensuring that those directly affected be
is complemented by appointing as trustees
administration or relevant professional experience
trustees almost from inception

Example 5

Election onto Executive Committee entitles Trustees

The policies and procedures adopted for

Example 1

Prior to being elected nominees are invited to a
the warehouse premises, to meet trustees and representatives

Should they be appointed they are provided with
Commission and Companies House as well as
the content of work for a trustee.

Following these arrangements are made, on a
deemed to be of advantage to any trustee.

Example 2

To enable the Bureau to meet those needs, standards
to deliver quality advice and service to the
Association of Citizens Advice Bureaux (now known as
review every three years to demonstrate it meets
national association. The last review was carried out

Example 3

We have at the moment no policy or procedure
don'ts" publication provided by the charity.

Example 4

All new Directors are provided with an informal
articles of association, reserves, financial policies
marketing plan. All directors are asked to sign a
individual and how the directors as a group will

Example 5

* is currently seeking new and younger trustees
e.g. legal knowledge and additional fundraising
- by approaching known individuals who might
requirements to the * CVS. New trustees will
joining the management committee as observers

the relevant places
also be given information about the role and re
Commissioners

Example 6

First meeting a new trustee attends with Obser
Membership Pack.

The organisational structure of the cha

Example 1

The pastor retains oversight of all church matte
trustees.

Trustees meet regularly on a monthly basis
thereof. Matters of general concern are raised w

All matters are subject to prayer and God's direc

Example 2

The board of trustees meets monthly as a full b
activities of the charity in terms of finance, the
committee comprised of the honorary officers
subgroups make recommendations to the boar
of the charity have delegated authority to carr
board. Financial standing orders give necessary

Example 3

Subject to the provisions of its constitution, the
committee, which meets not less than once eve

The committee are elected at an Annual Genera

a) 10 community representatives (2 from ea
Parents' Associations or other community based

b) 2 representatives from the Racial Equality Co

c) 1 representative from each of the West * LEA:

d) 3 co-opted members

All questions at any meeting are determined by
each member having one vote. In the event
second vote as a casting vote.

Example 4

The Charity has a Management Committee of
responsibility for policy and major decision mak

Day to day management and responsibility fo
General Manager. There are 8 full time and 3 p
employment trainees.

Example 5

The Bureau is managed by the Board of Dire
charity. The Board met on nine occasions th

the relevant places committees, 'Finance' and 'Staffing' comprising reference for both sub-committees were confirmed meets on a quarterly basis to set and monitor matters in depth. The staffing sub-committee monitors general staffing matters and to set human resources on occasions. Ad hoc working groups are established promptly to the Board and decisions are ratified to the District Manager who is supported by a Delivery and Development Co-ordinator, two Administrative support staff.

Example 6

We have a board of trustees which also acts as a sub-group is formed called "the executive group" and reports to the board of trustees.

Example 7

Directors and Committee meet regularly on a quarterly basis for the implementation thereof. Matters of general concern are discussed. The Directors are elected at an Annual General Meeting.

- a) A Chairperson, a Treasurer and a Secretary.
- b) Not less than 2, nor more than 9, elected Members.
- c) If they so decide, not more than 3 Members may be co-opted.

All questions at any meeting are determined by a majority vote of each member having one vote. In the event of a tie, the Chairperson has a casting vote.

Not less than 60 per cent of the Directors, including at least one, shall be family Members. In the event of a tie, the Members in General Meeting may elect Affiliate Members, those Affiliate Members being approved by the Directors.

The Directors and Committee shall be elected for a term of three years. Retiring Directors are eligible for re-election up to a maximum capacity for six consecutive years.

Membership of a wider network

Example 1

The Charity has no responsibility for nor is it answerable for the actions of the network.

Example 2

The Bureau is a member of the National Association of Charities. Advice. The Bureau is one of the participating organisations.

Example 3

We network with other organisations within the sector.

the relevant places

Relationships between the charity and

Example 1

The Charity has a trading subsidiary with which
The only other related parties are trustees and t

Example 2

Other than the Trustees and those persons co
related parties. Details of transactions with rel
This includes remuneration and expenses paid t

Example 3

We have no related parties or subsidiaries.

The major risks to which the charity is systems to mitigate risks

A SUGGESTED GENERAL STATEMENT AS RE FOR THE SORP 2001

(and has not been replaced by subsequent gu
justification for omitting further description whe

The trustees identify the major risks to whic
preparing and updating a strategic plan, in part
the charity. The trustees then review any ma
systems to mitigate those risks. The charity is s
exposure to the major risks which have been so

SPECIFIC ALTERNATIVES THAT MAY THEN B

Example 1

The charity is not exposed to risks involved in
income from investment capital. The review o
these are incorporated in the Investment Princip

Example 2

The charity is open to the usual financial risks
controls to minimise these risks, such as two si
account. In addition, the accounts are regularly
member's inspection at any time.

Example 3

Work with children and vulnerable adults is c
counselling is done in pairs, as is children's wor

Example 4

New workers are vetted and any problems disc
the Criminal Records Bureau

Example 5

Risk factors would arise should there be no
adequately housed with sufficient furniture ar
donations of furniture and household goods we
carry out the function themselves. Regular me
confirm that the need for our services is still on
alternative operators. Whilst there is no way
adequate financial reserves are held to enable
should the occasion arise.

The trustees are assisted in their annual review
trustees on any matter that comes to light in t
an intrinsic part of the audit

the relevant places
an intrinsic part of the audit.

Example 6

The major risk of this charity is to trade insolvent
owns its asset and freehold.

Relationships with other groups, charities

Example 1

There is a monthly open church meeting for all

The charity works with * and * with the homeless

Example 2

The charity works closely with the five local authorities
** in order to address under representation
governors.

The charity uses the regional conference to
parents and community groups.

Example 3

The Charity has developed working links with n
who request help on behalf of their clients, as
out similar work and the local authority.

Example 4

Our relationship with other charities and groups
required for which they will incur a fee. Occasional
reduced rate depending on need and ability to
members of the local community or charities of

Example 5

We have an ongoing relationship with all local organisations

Example 6

* is virtually unique in its focus on the disruption
affected parents, but is similar to many others
suffering from sexual exploitation, trafficking or
contacts with such organisations, locally and
learning, and to avoid duplication of effort.

Policies on reserves.

Example 1

The trustees have resolved to establish reserves
funding for the expected expenditure for six months

The policy on reserves is that the existing assets
wholly utilised to support existing activities. They
or reduce the capital significantly from £Y. This
income at the present levels in order to maintain

Example 2

The trustees have resolved to establish reserves

the relevant places
The trustees have resolved to establish reserves
have wide powers of investment.

Within those powers, a policy has been determined
income which is wholly utilised to support existing
to restore the balance of the capital held in order
activities of the Charity.

Reserves held are considered only sufficient to
further income fail to materialise and are held
policies have not been considered, as the Charity
short term requirements.

Example 3

The company is limited by guarantee and therefore
Development planning a Reserves Policy has been
- Unrestricted Reserve – to build enough to cover
- Contractual Reserve – to cover legal & contractual
redundancies
- Equipment Reserve – to cover equipment replacement
- Restricted Reserves – for funds restricted by decisions
of the bureaux

In the financial statements, the first three items
they are not subject to any restriction in law.

Example 4

We have no designated reserves.

Example 5

To have a sum equal to the annual turnover in revenue

**Note that good practice requires that specific
general statement as above.**

Funds in deficit

Example 1

Unrestricted revenue funds are in deficit, but as
unrestricted funds are in surplus, which means
conditional sale of the property does not proceed
almost eliminating the deficit. If the sale does proceed
The actual deficit is small in absolute terms,
position.

Example 2

We have no funds in deficit.

Principal funding sources and how expenditure supported the key objectives of the charity

Example 1

Principal funding sources are the local authorities
trusts.

Whilst the majority of funding has been as
charitable trusts has led to an overall reduction

Example 2

Grants and donations were received from a variety

the relevant places
Grants and donations were received from a variety of sources.
Detailed Statement of Financial Activities on page 10.

The 'CAB' club operated by North CAB has continued to grow and has taken up shares. All the profits made by the club, after paying for the volunteer expenses.

Important transactions during the period included:
* Specialist Advice Services and the Community Development Fund.

Example 3

Principal funding sources are income from activities and grants. Our funding is related to capital development. Our balance sheet is solvent.

Example 4

Our principal funding sources are monthly tea and coffee sales, hall to sports and leisure clubs and the annual voluntary fund-raising events.

The investment policy and objectives, including environmental or ethical consideration

A SUGGESTED INVESTMENT POLICY FOR A CHARITY THIS COULD BE ADAPTED FOR A SMALLER CHARITY

Statement of Investment principles

1. Background

The Charity is an incorporated charity whose assets are held in the form of investments and property. The current financial policy is to use the built-up fund to further the objects of the charity.

2. Investment Objectives

In order to guide the investment strategy the board has agreed the following objectives:

- * to protect a steady annual income which is sufficient to fund the activity of the charity over the long term
- * to follow an investment policy designed to protect the fund from inflation and protects the real value of capital
- * to follow a policy which provides high security of capital commensurate with the ethical guidelines

3. Risk

The assets of the charity will be exposed to various risks. The following risks when agreeing their strategy:

- * The risk that investments will not deliver the returns and values expected
- * The risk that the properties or investment vehicles are not as projected.

4. Investment Strategy

The strategy adopted is to invest the assets in a diversified portfolio. The investments are held and managed by independent professional day to day management of the assets.

The current proportions adopted are approximately 60% in investment markets, which are primarily equities, and 40% in the achievement of the investment objective: to provide a steady return.

the relevant places

5. Ethical position

The charity has adopted the same ethical guide to the discretionary managers are to comply with

6. Day to day management

Any changes to the directly held property portfolio obtained advice from qualified professionals. The a more extensive property portfolio is not anticipated

The majority of the invested assets are held in line with the Church of England ethical guidelines. The capital growth. The Fund is predominately invested 66.2% in UK equities, 15.9% in overseas equities. Expenses of management are deducted within the

The investment manager has a fully discretionary portfolio in line with the ethical guidelines. The manager aims to provide a mix of UK and overseas equities and other collateral. The requirements of discretionary management are met through a reduced rate of commission the manager earns

Example 2

Investment policies have not been determined for specific purposes.

Example 3

As the income of the Bureau is almost entirely derived from the provision of ongoing services for which accounts are determined that such funds should be held in a separate account in an interest bearing Deposit account.

Example 4

We do not have any investment policy. All our investments are reinvested in the charity.

Example 5

In order to guide the investment strategy the Board has agreed the following objectives:
- to protect a steady annual income which allows the charity over the long term;
- to follow an investment policy designed to protect the real value of capital over the long term;
- to follow a policy which provides the highest sustainable return

Risk:

The Board considers that it is not proposing exposure to high risk investments over the next 5 years. The risks are that sufficient funds will not be available to make every effort during the coming years to ensure the continuity of and ongoing funding after that for existing work

Investment strategy:

The strategy adopted is to invest an appropriate proportion of the * Building Society, in view of its current rate of return. Social, environmental and ethical considerations

Monitoring:

The Treasurer will monitor the performance of the

the relevant places

Availability and adequacy of assets of c

Example 1

The board of trustees is satisfied that the charity fulfils its obligations in respect of each fund.

Accounting policies Sample Texts for resou

Sample AA1

Costs of generating funds

The costs of raising and generating funds shall include fees incurred in respect of investment management

Sample AA2

There are no costs that are attributable to the general

Sample AA3

The direct costs attributable to fundraising

Sample BA1

Charitable expenditure

Charitable expenditure shall include all expenditure of the charity including the following :-

Grants payable in furtherance of the charity's ob

The Charity receives grant applications from a number of sources. An application is considered by the board of trustees. The board may accept or reject the application or ac

Although there is no legal liability to pay any grant, it is open to the board to withdraw an approved payment of a grant. The accounting treatment is specifically to the charity's activities in the current year upon approval, and to include grants relating to financial commitments shown in note **INSERT**

At 31st December 2001 there were £*** of which no creditor for this sum is reserved in the accounts

Activities in furtherance of the charity's objectiv

The cost of goods and services and ancillary costs of charitable activities. The Manager and Associate Manager incur costs in connection with the development and therefore the relevant sales and expenditure.

Support costs of activities

Support costs of activities for charitable purposes are incurred by the Manager and the Associate Manager as they are not other project costs

the relevant places
other project costs.

Sample CA1
Governance costs
The property previously occupied by the charity has been transferred at written down value. Governance costs shall include all expenditure including expenditure incurred in the management and administration and compliance with charitable law.

Sample DA1
Allocation of costs within types of resource

There are a number of costs, including staffing costs, which are shared between administration and charitable activities. These costs are allocated on the basis of reasonable estimates as follows:

Staffing costs and related expenses

On the basis of salary costs, and hours spent on administration and charitable activities.

Premises costs and related expenses

On the trustees estimate of space allocated to administration and charitable activities.

Sample DA2
Allocation of costs within types of resource

The charity's operating costs include staff costs, which are allocated between types of resources expenditure on administration and expenditure on charitable activities on the basis of reasonable estimates.

The bases of the estimates used were :-

Sample DA3
Allocation of costs within types of resource

Administration expenditure includes all expenditure on administration. In respect of certain items of expenditure it is a direct charitable expenditure or are administration expenditure. These are reasonable judgements in appropriate circumstances.

The bases of the judgements used were :

Sample DA4
Allocation of costs within types of resource

The methods and principles for the allocation of costs to activity categories of resources set out above are applied to the particular related source of income for each specific activity, whereas all other costs are allocated to administration.

Stocks and work in progress

Example 1

Stocks are valued at the lower of cost or net realisable value. Stocks considered to have no material value for accounting purposes are valued at nil.

Accounting Policies - Capital Grants - worked example EA1

A Charity receives two capital grants or gifts of

the relevant places on the asset's future use or disposal. The other disposal.

In the SOFA, incoming resources is credited with restricted purpose that they must be expended on incoming restricted funds.

In the SOFA, in the transfer of funds section. £30,000 funds, with £10,000 going into designated fixed asset funds.

Assuming no depreciation in year 1, and ignoring the depreciation will then be fixed assets £30,000, restricted fixed assets £10,000 and unrestricted revenue reserves nil.

A contingent liability note will be shown in respect of the contingent repayment. The fixed asset notes will be shown as a creditor instead of a contingent liability.

Assume straight line depreciation of 25% The balance sheet will show restricted fixed asset funds £15,000, restricted revenue reserves of nil and the SOFA will show a depreciation of £7,500 as a cost, and a transfer to unrestricted revenue reserves of £5,000 and from designated fixed asset funds of £2,500, showing a net nil movement in unrestricted revenue reserves.

A contingent liability note will be shown in respect of the contingent repayment. The fixed asset notes will be shown as a creditor instead of a contingent liability.

Subsequent years will follow the same principle:

Sample EA2

The board of trustees consider that, in order to comply with the Practice for Accounting and Reporting issued in 2005 (effective October 2005), gifts of tangible fixed assets for the purposes and fully utilised in the furtherance of the relevant fixed asset fund after the sums have been transferred to the related asset is shown in the balance sheet at the end of the year.

If the related assets are subject to restrictions on disposal, then these restrictions are noted in the circumstances, the fixed asset fund created for the related assets are depreciated, then a transfer to unrestricted revenue reserves to reflect the depreciation for the year, a sum of £* (2005 - £*) was transferred from designated fixed asset funds to unrestricted revenue reserves.

If the related assets are not subject to restrictions on disposal, then the fixed asset fund created for the related assets are depreciated, then a transfer to unrestricted revenue reserves to reflect the depreciation for the year (£*) was transferred from designated fixed asset funds to unrestricted revenue reserves.

Any residual liability to the donor arising from, the contingent liability unless the event that would trigger the liability which case a liability for repayment is recognised.

the relevant places

Insofar as this policy relates to Government grants, the Statement of Standard Accounting Practice requires that it is in order to comply with the Stated Accounting Reporting (effective April 2005) issued by the CIPFA.

Non returnable deposit on possible sale

The receipt of a non returnable deposit on the sale of an asset is recognised as income on the grounds that it will provide an incentive to enter into the conditional contract. For unrestricted fixed asset funds on the grounds that the capital receipt will be reduced by this amount.

Accounting for branches

The branches operated by the charity at *, * and *

Text of SORP re fixed assets para 253 to 278

Tangible Fixed Assets (other than Investments) SORP paragraphs 253 to 278

253 FRS 15 "Tangible Fixed Assets" requires that (a) all tangible fixed assets should be capitalised at cost or valuation;

(b) tangible fixed assets may be periodically revalued; (c) subsequent expenditure which enhances the value of fixed assets should be capitalised.

254 Within charities, tangible fixed assets (other than investments) held for charity use (including those used for those classed as heritage assets (Glossary GL 3)) should be included for inclusion of tangible fixed assets in the balance sheet definition of an asset and should be recognised. However, particular considerations arise where assets are obtained at significant cost or where such assets are recommended for the accounting treatment in paragraph 294.

General Rules for Tangible Fixed Assets

255 Tangible fixed assets should initially be included at cost. (a) The cost of acquisition including costs that are incurred in bringing the asset to working condition for their intended use. This includes the cost of construction of such assets but only where the asset is constructed by the charity. (b) Where the fixed assets are bought outright or through a lease, the cost should be the full acquisition cost (or in the case of a lease, the charity's share in the asset (see paragraph 416)). (c) Where functional fixed assets have been donated, their current value at the date of the gift and should be included in the Statement of Financial Position (see paragraph 111) as an incoming resource. (d) Where functional fixed assets are capitalised as a result of a change in accounting policy, they should be included in the Statement of Financial Position. However, if neither of these amounts is ascertainable, the current value to the charity should be used. Such

the relevant places
carrying amount and will not be regarded as a revaluation.
256 Where the net book value of a fixed asset is impaired and should be written down to its revalued amount, see paragraphs 267 to 272.

Rules for Mixed use of Fixed Assets (Functional Assets)

257 Where land and buildings are held for more than one purpose, the balance sheet category should be determined by the primary purpose for holding the asset and the criteria for balance sheet analysis should be applied.
(a) Land and buildings held primarily for charitable purposes should be regarded as functional fixed assets if the asset is wholly or mainly used for charitable purposes.
(b) Land and buildings held primarily for investment purposes should be regarded as investment fixed assets.
(c) Land and buildings which contain clearly identifiable parts for different purposes ie. partly functional and partly investment should be apportioned and analysed in the balance sheet.

Depreciation of Tangible Fixed Assets (other than Land and Buildings)

258 Most tangible fixed assets depreciate; that is, their value is reduced through use, the passage of time or obsolescence. Depreciation is a gradual process and should be spread over the useful economic life of the asset. An annual depreciation charge in the Statement of Financial Activities should be shown as accumulated depreciation deducted from the carrying amount of the asset.
259 Tangible fixed assets held for use by the charity should be depreciated at rates appropriate to their useful life. Depreciation should be charged where any of the following conditions are met:
(a) the asset is freehold land which is considered to have a limited useful life;
(b) both the depreciation charge and the accumulated depreciation are material;
(i) the asset has a very long useful life; or
(ii) the estimated residual value (based on price revaluation) of the asset is not materially different from zero.
If depreciation is not charged because of immateriality, an annual impairment review (except for charitable assets) should be carried out.
(c) the assets are heritage assets and have not been classified as such (see paragraphs 279 to 294).

260 The useful economic lives and residual values should be reviewed at least once in each accounting period and, where there is a change, the asset should be depreciated over its remaining useful life.

261 Where a fixed asset for charity use comprises components with different useful lives, each component should be depreciated over its individual useful life.

Revaluation of Tangible Fixed Assets (other than Land and Buildings)

262 In accordance with FRS 15, tangible fixed assets should be revalued unless the charity adopts a policy of not revaluing them. If it need not be applied to all fixed assets it must be applied to all. If an individual fixed asset is revalued, all other assets in the same class can be narrowly defined, within reason (see paragraph 273).

263 When an asset is donated or when it is acquired at a nominal value, its initial valuation will not be regarded as a revaluation. A policy of not revaluing a class of such assets to be revalued.

264 Similarly, where a charity was holding assets before the requirements first applied, (for accounting periods beginning on or after 1 January 2005) should be regarded as a revaluation and no requirements apply unless the trustees so choose.

265 Where there is a policy to revalue fixed assets, the trustees may use any reasonable approach to determine the fair value, taking into account the possibility of any

the relevant places obtaining advice as to the possibility or any Where a charity has a number of such assets, it a rolling basis over a five-year period. Independent in the case of a charity, which instead may obtain could be a trustee or employee (see Appendix 2 266 In the case of assets other than property second-hand market for the asset, or appropriate with reasonable certainty by an appropriate person internal or external to the charity. Where this method updated annually. As an alternative to market replacement cost (see Glossary GL 18).

Impairment of Fixed Assets for Use by the

267 On rare occasions a functional fixed asset's net (net book value, at cost or valuation) is higher would require it to be written down to its recoverable of the net realisable value and the value in use. 268 Value in use is normally the present value of an asset's continued use. However many charities purpose of generating cash flows either by the cases it is not appropriate to measure the value of future cash flows. Instead an alternative measure as the intrinsic worth of the service delivery or determine its own measure of service delivered consistently operated.

269 Impairment reviews should only be carried out for a recoverable amount of a functional fixed asset as far as possible, be carried out on individual assets as assets can be grouped

(see FRS11 paragraphs 24 to 28). Events or changes

(a) physical deterioration, change or obsolescence
(b) social, demographic or environmental changes affecting the charity;

(c) changes in the law, other regulations or standards affecting the charity;

(d) management commitments to undertake a strategic change;

(e) a major loss of key employees associated with the asset;

(f) operating losses on activities using fixed assets.

270 Where an impairment review is required, the carrying amount of the asset. If this is lower than the recoverable value of the asset. If the value in use is considered to be higher than the carrying amount, the asset should be valued at the net book value. If a decision is made that the carrying amount exceeds the expected net realisable value.

271 Value in use calculations should not be used in an instance when a new specialised asset is purchased, as it is unlikely that it will suffer an impairment in its value.

272 Where there is an impairment loss that needs to be recognised in accordance with the requirements of FRS 18 (Impairment of assets), the loss should be recognised in the Statement of Financial Activities in accordance with the requirements of FRS 18. The loss should be recognised in the Statement of Financial Activities in accordance with the requirements of FRS 18. The asset should be depreciated over its remaining useful life.

Disclosure

See the fixed asset notes in the notes section for further details.

the relevant places

Text of SORP re heritage assets para 279 to 294

279 FRS 15 requires that all tangible fixed assets (see paragraph 253). In principle this includes tangible assets of scientific importance that are held to advance purposes. 280 However, charities will not necessarily need to ensure that assets that were acquired in past accounting periods meet the circumstances in paragraph 283 below apply.

281 To fall within the definition of heritage assets, an asset must be held for the purpose of preservation or conservation objectives, or the promotion of a preservation or conservation nature, or the promotion of such as educating the public in history, the arts and sciences. 282 Newly purchased heritage assets should be valued at cost. 283 When heritage assets were acquired in past accounting periods, it may be difficult or costly to attribute a cost or value to them. They should be excluded from the balance sheet if:

(a) reliable cost information is not available and the cost cannot be estimated with sufficient reliability; or

(b) significant costs are involved in the reconstruction or restoration of the asset, and the costs are onerous compared with the benefits derived by users of the asset.

284 The assessment of the costs involved in the reconstruction or restoration of the asset, and the benefits derived by users of the asset, should be based on a consideration of any material sub-classes of assets. The cost/benefit test may not be practical to apply to individual assets, but should be considered in the context of particular parts or the context of a general museum valuing a collection of vintage cars may not.

285 FRS 15 provides details of appropriate valuation methods. Some structures or sites may present particular valuation difficulties. Assets valued using depreciated replacement cost (see paragraph 253) may be appropriate for historic buildings. The uniqueness of certain structures, events, individuals or periods in history may be such that the service potential in terms of the public may only be achieved through the original structure.

286 Examples of heritage assets for which a cost-based valuation may be appropriate are: (a) museum and gallery collections and other collections; (b) medieval castles, archaeological sites, burial grounds, etc.

287 It may also be difficult or costly to attribute a value to assets donated where such assets are rarely sold on the open market. Where a party who then shortly afterwards donates the asset, the cost of the asset should be considered as reliable cost information and cost-based valuation. Where an asset is purchased, a reasonable estimate of the cost or value to the charity should be provided. Transfers of significant value may also provide sufficient reliability.

the relevant places

provide sufficient reliability.

288 Heritage assets should be included in a set of accounts, analysed, in the notes to the accounts, into categories such as artefacts, and historic houses. An appropriate disclosure should be given with paragraphs 258 to 261. As explained in paragraph 258, assets with indefinite useful life and a high residual value are not depreciated. 289 Where assets of historical, scientific or artistic interest are held for preservation or conservation purposes, they are not depreciated. Assets that do not fall within the heritage assets category are: (a) holds and occupies an historic building as its principal place of business; (b) has in its possession works of art, or a collection of objects, within its boardroom, as a store of wealth, the purpose of which is preservation or education;

(c) occupies a functional property that is used to provide services (unless the property itself is held for preservation or conservation purposes).

290 Charities may be required by trust law to retain certain assets which are effectively prohibited from its disposal and which are inalienable. Inalienability, of itself, does not prevent an asset from being included in the balance sheet.

291 Inalienable assets that do not fall within the heritage assets category are: (a) An investment property will be included as a non-current asset at market value and disclosed as part of investment properties.

(b) Functional properties used by a charity in the course of its activities are fixed assets and are included at cost or valued at the lower of cost and when a depreciated replacement cost (see Glossary). (c) Tangible fixed assets other than properties are included at cost or valued at the lower of cost and when a depreciated replacement cost (see Glossary).

292 Inalienable assets, by their nature, will not be depreciated. permanent endowment.

293 Abbeys, Monasteries, Cathedrals, historic houses, etc., which meet the heritage asset definition as the preserve the primary objective of the charity. Such assets are included in the balance sheet at cost of construction of an asset that has the same value as a new structure could recreate the floor area and the value of a structure would not recreate the uniqueness or historical significance. In such cases a valuation of previous periods should contain a statement to that effect that the cost of construction cannot be applied. Similar issues may arise with such structures eg religious art.

Disclosure

For disclosure requirements see the Notes section.

Text of SORP re investment assets paragraphs 295 to 307

Investment Assets

the relevant places

Investment Assets
295 Investment assets (including investments held for investment purposes) should be classified where the intention is to realise the asset without it should be reclassified as a current asset. The asset is held with the overall intention of retaining the benefit of the charity in the form of income and

Valuation of Investment Assets

296 All investment assets other than programme investments should be shown in the balance sheet at market value as described below. Market value best represents a fair value for a charity, given the duty of the trustees to administer the charity for the best investment performance without undue risk. All changes in value in the year, whether or not realised, should be shown in the "on investment assets" section of the Statement of Financial Activities.

297 Most freely tradable investments will have a quoted price on a recognised stock exchange. For investment assets not quoted on a stock exchange, the trustees should adopt a reasonable approach to valuation. (a) Shares in unlisted companies may be valued at the last quoted price, or earnings or the dividend record, as appropriate.

(b) Where the cost of obtaining a valuation by a professional valuer is too high for the users of the accounts, or lacks reliability,

298 For investment assets other than shares or bonds, a reasonable approach to market valuations which does not involve obtaining advice as to the possibility of any material movement in value. If there is a material movement the assets must be revalued. For assets it will be acceptable for valuations to be based on the last quoted price.

Disclosure

See the Notes section under Fixed asset investments

The SORP rules on income SORP paragraphs 94 to 117

General Rules on the Recognition of Income

94 Incoming resources - both for income and expenditure - should be recognised in the Statement of Financial Activities when the effect is to increase the charity's assets. This will be dependent on three criteria: (a) entitlement - normally arises when there is a legal right or enabling the charity to determine its future application of the resource; (b) certainty - when it is virtually certain that the resource will be received; (c) measurement - when the monetary value can be determined with sufficient reliability.

95 All incoming resources should be reported in the Statement of Financial Activities (whether working at the charity's direction) or its agents, or by individuals not employed or contracted to the charity by the charity are the proceeds remitted to the charity to cover its expenses.

96 Within the charity sector entitlement to income arises from transactions varying from contractual (ie in exchange for value between a seller and a purchaser) to the gift of resources (given to use on any of the charity's purposes).

97 This SORP seeks to provide guidance on how to apply the general rules. However, judgement will still be required in determining the appropriate framework and in identifying those factors that are relevant to their recognition. The recommendations are based on the following principles:

the relevant places for such recognition. The recommendations principles should be applied in the context of the charity sector. In order to understand how such arrangements, charity trustees need to determine:

- What legal arrangements (eg contract or trust) any disputes arising are to be settled.
- Whether entitlement to the funding requires performance related grant).
- Whether funds can be used for any of the purposes used for a specific purpose.

Contractual Arrangements

98 Some charities earn income by providing goods or charitable activities. Such contractual income is outside of Financial Activities to the extent that the charity receives such incoming resources are received in advance of resources until the goods or services have been received in advance.

99 Certain grant funding arrangements may cover costs performed by the charity. The terms of such funding where the conditions for payment are linked to units of output delivered, for example, number of units used by beneficiaries. Entitlement to the income from grants (Glossary GL 45) may be conditional upon such circumstances should be recognised as income if provided the services or goods.

100 Simply because a grant is restricted to a particular purpose does not mean it should necessarily be recognised as a grant. Entitlement to the incoming resource or identified as a condition for the grant. Entitlement to the income if performance conditions are met. This can be conditional if the charity may expend funds to particular purposes to be delivered by the recipient charity as a condition. Restricted grants are recognised on the basis set out in the Glossary.

101 Where charities receive membership subscriptions, they may effectively buy services or access to certain facilities. If the subscription is that of a gift, the incoming resource should be recognised as income if the subscription purchases the right to services or facilities as the service or benefit is provided. If the subscription is for a period of membership then recognising such resource over the period of time covered by the subscription may be appropriate.

102 Charities may also, on occasions, undertake projects over a length of time taken to complete such contracts. The cost of any resources received in accordance with the guidance given in SSAP 9.

103 Application Note G to FRS 5 provides specific guidance on contractual arrangements. A charity should recognise income from performance under a long-term contract where consideration is provided. This should be derived from an estimate of the proportion provided to its reporting date as a proportion of the total contracts where costs incurred to date reflect the proportion of costs incurred to date in comparison to the total. It may be appropriate to use the time spent as a proportion of the total contract where this provides a reasonable estimate of entitlement. The incurrence of costs by the charity should be recognised as revenue.

Grants and Donations Receivable

104 A pre-requisite of recognition of a promise to receive a grant is that Evidence will normally exist when the grant is demonstrable, and no conditions are attached to its receipt.

the relevant places

resources once the criteria of certainty and measurability are met. 105 Charities often receive grants or donations where the entity has unconditional entitlement (control) to the resource either within the recipient charity's control or where meeting such conditions is within the charity's control. If the conditions will be met, then the incoming resource is recognised. If not, then the incoming resource is not recognised but deferred as a liability until the conditions are met.

106 For example, a grant may be conditional on the charity obtaining successful planning consent. Meeting the condition is certain or wholly within the control of the recipient charity. If the condition is met, the incoming resource is recognised. If not, the incoming resource is not recognised until the condition has been met.

107 Conditions such as the submission of accounts are not conditions. They are simply an administrative requirement as opposed to a condition of incoming resources.

108 Incoming resources may also be subject to conditions. For example, a grant may be subject to a condition that the expenditure of resources is restricted to a particular period in which the expenditure of resources is required. The charity's ability to expend the resource until the end of the period is subject to the advance of a grant for expenditure that must be accounted for as deferred income and recognised when the condition is met. The recipient charity is allowed by the condition to expend the resource.

109 Where the existence of a condition prevents the recognition of an incoming resource as a contingent asset should be disclosed where it is probable that the condition will be met in the future (see paragraphs 340 to 342). 110 Charities are normally entitled to incoming grants or donations without pre-conditions should resources are received in advance of the expenditure. In such cases the charity has entitlement to the resource within the discretion of the charity. Such income is recognised when the related expenditure has not been incurred. Similarly, if a donor of any unexpended part of a grant does not require the resource, it is recognised when repayment becomes probable.

111 Where either incoming resources are given in kind or donated (a gift in kind), the charity will normally recognise the resources as receivable. At this point, all of the resources are recognised in the Statement of Financial Activities and not deferred. 112 Where the possibility of having to repay the resource is recognised in the first instance. Once acquired, the resource is unrestricted (see paragraph 117). If its use is restricted, it is designated fund reflecting the book value of the asset in line with the useful economic life of the asset in line with the requirements under accounting standards for the asset. 113 The most appropriate interpretation of SSAP 4 for charities is that the resource is recognised as a contingent asset.

Funds Received as Agent

112 Some incoming resources do not belong to the charity. They are resources in circumstances where the trustees, acting as agents, are legally bound to pay them over to a third party for a specific application. In these circumstances the transaction is recorded as a transfer from the payer (who remains the principal) to the specific application. The charity has no responsibility for ensuring the charitable application is made. The charity recognises the resources in the Statement of Financial Activities (see paragraph 319).

113 However, in some cases an intermediary charity transfers resources to a third party and its trustees will not be able to ensure the resources are used for a charitable application. For instance, where the trustees of the intermediary charity are able to direct the resources or are able to direct the resources. Other forms of funding arrangements involve the intermediary charity accepting the legal responsibility for the transfer of resources to a third party who is not a charity.

the relevant places application, where the third party is not a charity then be included in the intermediary charity's (see paragraph 320).

Disclosure

See the notes covering deferred incoming re 'Notes' section of the template. This covers SOR

Incoming Resources Subject to Restriction

116 The fact that a grant or donation is for a recognition within the Statement of Financial Accounting purposes between restrictions placed may be used and conditions which must be fulfilled. The existence of a restriction does not prevent the grantee from having entitlement to (control of) the resource and to which the resource can be applied.

117 Funds received for the restricted purpose are treated immediately as restricted funds. The treatment depends on the basis on which they are held. They must be held in a way that will enable the grantee to discharge the restriction and the asset will be treated as restricted (see 111). There is no general rule and the treatment depends on the individual case (see Appendix 3). Where assets are transferred, this should be reflected as a transfer between the relevant

Expenditure/Income on grants and related issues SORP paras 151 to 160

For consistency these rules will also apply where the grant is reversed, where appropriate

Grants made, conditions and restrictions

151 Certain grants made may contain specific conditions that must be performed by the recipient of the grant. These may be at the level of agreement where the conditions for payment are based on the service or units of output delivered, for example, the cost of a facility used by beneficiaries. Often, in such cases, the services to be provided to it or its beneficiaries (Glossary GL 45) should be recognised as resources. The grant has provided the specified service or goods.

152 A grant that is merely restricted to a particular purpose is a performance related grant unless the grant also

the relevant places
criteria set out above. Similarly, certain restrictions may be undertaken over a number of years by the recipient and may be recognised as a performance-related grant if the grant is made on the basis of a commitment or because the grantor is involved in the grantmaking procedures.

153 For example, a grantmaking charity may require a recipient to undertake a programme of work identified in the grant objectives or that adds to the stock of knowledge. Any work undertaken will need to be consistent with the charity's part of its own grant approval processes, be in the charity's work. Such an arrangement would not create a liability if the funding is not directed at providing a specified service as a condition of payment. Grants without such performance conditions may require a recipient to follow its own programme of work and should be recognised as a liability where a constructive obligation exists (see Paragraph 155).

Grants Payable and Constructive Obligations

154 In the case of grants (other than performance-related grants) relating directly to charitable activities, an expenditure is incurred to further the charity's objectives. The contractual relationship with the recipient of the grant means the charity may still have a liability (Glossary GL 155). Liabilities may arise from a constructive obligation that arises under FRS12 where events happen that the charity will discharge its obligations. Evidence may be provided by the charity's current and past actions, including specific communication of a commitment to the recipient, the commitment to another party that has been communicated in a manner to raise a valid expectation on the part of the recipient of obligations. Because an obligation always involves a liability, a funding decision by a charity's trustees does not create a liability on the sheet date unless the decision has been communicated in a sufficiently specific manner to raise a liability to discharge its responsibilities.

156 Charities may on occasions make general commitments, for example, of an intention or aim of relieving financial hardship or of care provided to a particular group of people. Such commitments may be of ways including mission statements, setting objectives, or by making a general policy statement. State of affairs may be such that discretion is retained by the charity. An agreement or offer that relieved a donor charity of its obligations at a future settlement date would not normally create a liability for the charity. The liability would however be derecognised if the agreement is rescinded.

157 A constructive obligation is likely to arise with respect to a grant if (a) a specific commitment, or promise to provide a service, or (b) this is communicated directly to a beneficiary. In such circumstances, the charity is unlikely to have discretion to avoid the obligation. However, the recognition of any liability is subject to attaching to such commitments.

158 A charity may enter into commitments which are conditional either by itself or by the recipient before payment of the grant, hence expenditure, should be recognised once the conditions are met by the charity. If the conditions set remain within the discretion to avoid the expenditure and therefore no liability is recognised.

159 By way of illustration, where a charity makes a grant over a three year period, the following situations may arise:

(a) If the multi-year grant obligation:

(i) is conditional on an annual review of progress; and

(ii) discretion is retained by the giving charity to

the relevant places

(ii) discretion is retained by the giving charity to then provided evidence exists (eg from past rev charity has substance, this amounts to a condition of the funding commitment. If the annual the grant, is not in practice used to determine of the commitment, then the review stipulating liability for the full three years of the grant should (b) If there is no condition attaching to the grant commitment, the liability for the full three years 160 Commitments may contain conditions that for example, a charity may promise a grant payment funding. As the condition falls outside the commitment expenditure should be recognised.

General Issues

161 Where a liability is not accrued, because it should normally be treated as a contingent liability outstanding commitments and contingent liabilities 162 The trustees may wish to designate some liabilities and other planned expenditure which may 163 Where later events make the recognition of a liability be cancelled by credit against the relevant Activities. The credit should mirror the treatment of the liability and should be disclosed separately.

Support costs SORP para 164 to 167

Support Costs

164 In undertaking any activity there may be necessary to deliver an activity, do not themselves activity. Similarly, costs will be incurred in fundraising, and in supporting the governance regional office functions such as general management accounting, information technology, human resources 165 Support costs do not, in themselves, constitute activities to be undertaken. Support costs are an activity category they support on the bases set out in paragraph 166 an activity category to be disclosed in the Statement of financial activities constituent subactivities to be presented at a separate the accounts. There is nevertheless legitimate incurred and the policies adopted for their all should be addressed through relevant note disclosure

Disclosure

For the details of the disclosure requirements see section 167 of the accounts

Allocation of costs SORP 168 to 176

168 A reliable approach to cost allocation should

the relevant places

168 A reliable approach to cost allocation should take into account the materiality of the amounts involved and the cost of achieving accuracy may on occasions only be achievable in limited circumstances.
169 In attributing costs between activity categories:
(a) Where appropriate, expenditure should be allocated on a direct basis.
(b) Items of expenditure which contribute directly to a particular activity category, for example, the cost of a staff member's time spent on an activity and working on a charitable project, should be allocated on a consistent basis.

(c) Depreciation, amortisation, impairment or loss of assets should be allocated in accordance with the same principles.

(d) Support costs may not be attributable to single activities but to infrastructure that enables output producing activities. These should also be apportioned on a reasonable, justifiable basis, having regard to being supported.

170 There are a number of bases for apportionment:

- (a) usage - eg on the same basis as expenditure
- (b) per capita - ie on the number of people employed
- (c) on the basis of floor area occupied by an activity
- (d) on the basis of time (eg where staff duties are shared)

171 The bases for apportionment adopted by a charity should be justified in the light of and to the charity's particular circumstances at the time. The bases adopted for apportionment should be consistent over periods.

172 Particular issues arise where a charity provides a fundraising activity. Information about the aims and objectives should be provided in the context of mail shots, websites, etc. Whether a multi-purpose activity arises, and the costs should be drawn between:

- (a) publicity or information costs involved in raising funds (costs of generating funds) and
- (b) publicity or information that is provided in the context of the charity's objectives (charitable expenditure).

173 In the context of a fundraising activity, for expenditure to be regarded as being for charitable purposes, it must be supplied in an educational context. Information supplied would be:

- (a) targeted at beneficiaries or others who can use the information and
- (b) information or advice on which the recipient can act to further the charity's objectives; and

(c) related to other educational activities or objectives.
Where information provided in conjunction with a fundraising activity should be regarded as targeted at potential donors, it should not be regarded as being for charitable purposes.

174 For example, a health education charity that provides information to the profession supplying information as to health risks and the steps that should be taken. Such information would be for charitable purposes. If, however, the information is targeted at beneficiaries, advises on steps that can be taken to improve their health, it would be for charitable purposes. Therefore where a fundraising activity, a joint cost would arise between the fundraising activity and charitable activities.

Disclosure

See the resources expended accounting policy for further information.

Allocation of profits/losses on

Investments and assets to funds

the relevant places
statutory accounts. Such information or sum
217 Gains and losses arising on disposal, revalu
the charity's own use or for investment purpos
investment or other asset concerned is or
impairment.

218 Such gains and losses should be recognised
(a) impairment losses of assets held for the
regarded as additional depreciation of the impa
expended section of the Statement of Financial
(b) gains on the disposal of fixed assets for t
heading "other incoming resources". Losses on
and included appropriately in the resources exp
and SORP 218(c) states

' revaluation gains or losses (which are not con
- 272)) on assets held for the charity's own use
on revaluations of fixed assets for the charity's

depending on the purpose for which they have b
Exemptions for smaller charities - SOFA
Recommendations on the content of summ
statements. The general principles which should
There are a number of disclosure exemption
highlighted in the template where relevant.

However, it should be noted that the Charities C

The full exemptions are :-

Appendix 5.3 Accounting statements of Sn

5.3.1 The SORP provides a number of concess
statutory audit (see Appendix 4 Audit thre
Financial Activities and notes to the accounts:

(a) In relation to the Statement of Financial Acti
resources expended or incoming resources by
Activities. They may instead choose resource

**creates a consistency problem when prepa
to modify the templates for their own need**

(b) Where a small charity adopts an alterna
Financial Activities certain note disclosures ma
disclosures relate to the constituent costs of a
provided on the face of the Statement of Financ
this are:

**(Remember this is only to be used v
accommodate an alternative approach as de
Details**

Analysis of activities that have generated funds
Analysis of incoming resources from charitable a
Support Costs analysis

Apportionment of Costs

Breakdown of costs of generating voluntary inco

Analysis of fundraising trading costs

Analysis of charitable activity costs

Analysis of grantmaking or associated support c

Analysis of governance costs

The following exemptions may apply wheti

(c) Smaller charities are not required to give det

5.3.2 These concessions are intended to redi
smaller charities, though any such charity wish
encouraged to do so.

the relevant places

In practice, using the template will not create the only disclosure exemption that will be available for emoluments disclosure

Exemptions for smaller charities - Trustees' Report

Appendix 5.4

5.4.1 In England and Wales, all registered charities are required to prepare a Trustees' Report. Regulations made under the Charities Act 2006 require a **statutory audit** (see Appendix 4 Audit threshold) to be included in the Trustees' Report. This concession applies to all charities registered in England and Wales, not companies.

5.4.2 The **minimum content** of the abbreviated Trustees' Report is set out below.

It would appear that the minimum requirement and that the exemption is highlighted in the section

Table 11. Contents of the Trustees' Annual Report
(England and Wales – not subject to a statutory audit)

Detail

Reference and administrative details

The name of the charity

Any other name by which a charity makes itself known

The charity registration number (or Scottish Charity Number)

The company registration number (if applicable)

The address of the principal office of the charity

The names of the charity's trustees or trustee(s) as at the date the report was approved. (where any charity is a company, the names of the directors of that company must also be provided)

Reference and administrative information

The names of any other person who served as a trustee or director in the financial year

The nature of the governing document and how the charity (or its trustees) are constituted

Governance and Management

The methods adopted for the recruitment and appointment of trustees

Objectives
A summary of the objects of the charity as set out in the governing document.

Activities

Summary of the main activities undertaken in relation to those objects.

Achievements and Performance

A summary of the main achievements of the charity

Policy on reserves

Financial

Review Details of any fund materially in deficit and the reasons giving rise to the deficit and steps being taken to address it

Funds held as Custodian Trustee

A description of the assets which they hold in trust

the relevant places

The name and objects of the charity (or charities)
behalf the assets are held and how this activity

Details of the arrangements for safe custody and
from the charity's own assets.

Consolidation of Subsidiary Undertakings

Purpose and Scope

381 The purpose of consolidated accounts is to show the affairs of all the group interests of the reporting charity. The principles and methods of consolidation are consistent and irrespective of whether the parent charity is a company or not.

382 Consolidated accounts are a set of accounts prepared for the parent itself and to those prepared for each of the subsidiary undertakings.

383 A parent charity (Glossary GL 44) should not consolidate subsidiary undertakings (Glossary GL 44) except if:
(a) FRS 2 provides for the exclusion of certain subsidiaries (see paragraph 384); or

(b) The gross income, after consolidation adjustment, for the accounting period is no more than the threshold in paragraph 383(d);

(c) The results of the subsidiary undertaking(s) are not material;

(d) The subsidiary is not a company and, by virtue of section 96(5) or (6) of the Charities Act 2006, is not that of the parent charity.

384 FRS 2 allows subsidiaries to be excluded from consolidation if there are severe long-term restrictions which substantially limit the rights over the subsidiary undertaking's assets. It is unlikely that these exclusions will generally apply to charities.

385 Charities utilise subsidiary undertakings for a variety of purposes, including charitable trading, for investment purposes and for the carrying out of activities between profit and not-for-profit undertakings. However, where a subsidiary undertaking is a company, it can be wound up and the subsidiary undertaking can be liquidated.

Charitable Subsidiaries

386 Most non-company charitable subsidiaries are controlled by a controlling charity, as they will either be restricted by the objects of the parent charity (Paragraph 383(d)). However, on occasions, a charity may not meet the definition of a special trust, for example, where the objects are wider than those of the parent charity. Where the objects of the subsidiary (the benefit test) are met, the charitable subsidiary should be consolidated where the services and benefits provided by the subsidiary also contribute to the objectives of the parent charity. Where (unusually) a subsidiary charity's objects are not met, the benefit test of control will not be met and so no consolidation should take place.

387 A subsidiary that is a charity with objects restricted by the use of one or more restricted fund columns should be consolidated.

Determining whether a Subsidiary undertaking

388 Subsidiary undertakings can be identified by the parent charity. FRS 2 outlines how such control can be determined:
(a) voting rights (mainly stemming from share ownership);
(b) dominant influence over the board or activities.
This embodies the requirements of the Companies Act 2006.

the relevant places

This embodies the requirements of the Companies Act 2006 for the consolidated accounts of undertakings registered under this Act.

389 A similar relationship to that of a parent and subsidiary charity transacts with another undertaking in such a way that the transactions remain with the parent undertaking and are not transferred to another entity whilst retaining effect as if they were maintained. Such undertakings are regarded as subsidiaries for in accordance with FRS 5.

390 A charity, however constituted, should be treated as a subsidiary if the parent charity has the power to exercise, or a subsidiary has the power to exercise, or a subsidiary and the subsidiary or the parent and subsidiary are of the following situations:

- (a) the charity trustees and/or members and the parent charity have the right to appoint or remove, a majority of the charity trustees;
- (b) the governing document of the subsidiary charity confers on the parent charity members the right to direct, or to give constraints on, the charity trustees of the subsidiary charity.

391 The basis for treating a non-company charity as a subsidiary and some other charity is such that the operating activities of the subsidiary are set in accordance with the wishes of the parent charity. The parent charity is able to produce evidence to the contrary.

392 Where the objects of a charity are substantial and the parent charity, the issue of control requires particular consideration. On occasions, form separate charities to give subsidiary charities discretion as to the nature and timing of its support. Paragraph 390 may not exist but dominant influence of the parent charity benefiting charity may set out in outline the criteria for determining the parent charity. Alternatively the parent charity may intervene in the subsidiary charity dominant influence being exercised the criteria

Method of Consolidation

393 The normal rules will apply regarding the consolidation of accounts on a line by line basis as set out in FRS 2.

394 All items of incoming resources and resources should be removed from intra-group transactions. Clearly it is not possible to do this in any way. For instance, incoming resources from a subsidiary charity should be combined with similar activities in the subsidiary charity. Similarly, outgoing resources should be combined with similar activities in the subsidiary charity. Governance costs in the subsidiary should be aggregated with similar activities in the subsidiary charity.

395 Each charity should choose appropriate consolidated accounts. The consolidated Statement of Financial Activities and suitable arrangements should reflect the underlying activities of the group. If the consolidated accounts of a subsidiary undertaking and the parent charity, the consolidated accounts of the parent charity and each subsidiary charity should be prepared.

Filing of Accounts with Charity Commission

396 Although consolidated accounts must be prepared for the consolidated accounts of Wales the Charities Act 1993 requires the individual accounts to be filed with the Charity Commission. To meet these requirements, the consolidated accounts should be included in the same set of consolidated accounts. The consolidated Statements of Financial Activities (one for the group and one for the subsidiary charity).

397 However, consolidated accounts are often prepared for the consolidated accounts of Financial Activities for the parent charity. The consolidated accounts should contain the long as gross income/turnover and results of the group accounts must still contain the entity benefits. The consolidated accounts should retain the power to require the production and the consolidated accounts of Financial Activities and similarly members of the public should be able to access the consolidated accounts.

that in the consolidation template available on the Charity Commission website of £30 plus VAT, two such SIFAs are included in the consolidated accounts.
Disclosure

398 There should be a separate comment in the notes to the financial statements on the objectives, policies, processes and performance of each of the charity's material areas of activity. **This information is provided for in this template**

The disclosure requirements are shown in the notes to the accounts

Introduction

Identification

409 Where a charity has a long term participating
significant influence over its operating and financial
undertaking. Where a charity beneficially holds
it will be presumed to have a participating interest
financial policy, unless the contrary is shown.

412 Often charities also undertake joint arrangements in partnership with other bodies but without establishing a separate legal entity.

413 Associates should be included in the account Statement of Financial Activities should show associates as a separate row after the "net

the relevant places
associates as a separate row after the "net transfers" row. In the balance sheet, the net interest in associates should be shown in a row within fixed asset investments. Where the valuation is limited (eg because the majority prohibit any disposal), the valuation should be shown in a row within fixed asset investments. Where the valuation is limited (eg because the majority prohibit any disposal), the valuation should be shown in a row within fixed asset investments.

414 Joint ventures should be accounted for on the same basis as associates. The reporting entity to present its share of the gross profit and loss account (Statement of Financial Activities) does not form part of the group income statement. This can be achieved by including gross income from joint ventures as a separate line item in the income statement, showing the net interest in the results for the year as "net incoming resources/(resources expended)" (that of the associates). In the balance sheet the net interest in joint ventures should be shown in a linked presentation within fixed asset investments. 415 Where there are gains and losses on investment in joint ventures, the net share relating to associates should be shown in the Statement of Financial Activities.

416 Where there is a joint arrangement, the reporting entity should account for its resources expended and the assets and liabilities in the same way as for a branch per paragraphs 77 to 81. Where the reporting entity is severally liable for an obligation, it should accrue its share of the obligation and treat the part of the obligation which is exp

The disclosure requirements are shown in the notes to the accounts

The SORP in relation to Charitable Companies in the UK

Introduction

419 This section explains the position of this SORP in relation to the Companies Act. This SORP, charitable companies will normally follow the provisions of the Companies Act. However, the SORP does not should have regard to its own circumstances where they differ from the provisions of the Act. In addition to following the main section of this SORP, there are certain further requirements which must be followed. The most common of these requirements are set out in the light of the company's individual circumstances.

Accounts and Reports

420 Charitable companies must comply with the provisions of the Companies Act in relation to the content of their accounts. This Act also stipulates that the directors of charitable companies in England and Wales, strictly, the directors of charitable companies and the Trustees' Annual Report under Part VI of the Companies Act 1985 is prepared to accept the directors' report for the year. Charitable companies are exempted from the requirement to leave out the names of the directors. 421 The Companies Act 1985 requires a company to give a true and fair view of its state of affairs at the end of the financial year. In addition, Paragraph 3.(3) of Part 1, section 1 of the Companies Act 1985 requires a company to adapt the headings and subheadings of the balance sheet to reflect the special nature of the company's business.

nt to show a true and fair view
at there is a strong presu
stances, have to comply wi
culars of any material depar
paragraph 359.

Financial Activities and t

companies registered under account in their financial statements all the gains and losses of account and the statement of income and expenditure account may be required may arise within the Statement of Financials if they are included in an income statement (capital) funds during and losses arising during the

In any challenge, a statute is presumed constitutional and it is felt that it is good

gains and losses are not allowed in the Statement of Financial Position. The expenditure account would end a policy of continuous revaluation of realised gains to report and

Statement of Financial Activities 423, it may not need to provide breakdowns in the Statement of Financial Activities. It indicates that it includes all income and losses (if required); and a prominent sub total entitled "net income" under the heading of "net incoming/(outgoing)". It is taken to ensure that all realisations are included in such a way that they are not double counted and expenditure account. Paragraphs which, in accordance with the requirements, are unrealised in others.

primary income and expenditure must be the same as in the statement of continuing operations, and

- from all sources;
from disposals of all fixed assets;
from endowment funds of amounts
from some funds for expending
this will be the total of all income
but not for any endowment funds
out of the charity's income
expenditure for the year. In practice
for statutory requirements or those of
companies which require a statement
of accounts should prepare

the relevant places

Summary Financial Information

**When reading this text be careful to di
permitted document, which are**

- 1) Summarised financial statements
- 2) Summary financial information

Summary Financial Information

34 Where summary financial information of a charity is contained in publicity or fundraising material and the charity has no other accounts, these accounts should always be fair and accurate.

Summary Financial Information

429 Charitable companies should follow the relevant summary financial information should also in the statutory accounts for the relevant year(s) have

General Principles

371 Some charities publish financial information in the form of statutory accounts. Such information or summary may be made available for review or in fundraising literature. There are two types of summary:

- (a) Summarised financial statements which summarise the accounts to communicate key financial information without reproducing the full accounts (for example, as contained in the notes to the accounts);
- (b) Summary financial information which presents a summary of the finances for example, an analysis of incoming and outgoing income for the charity. Such information does not purport to summarise the full accounts.

372 The distinction between summarised financial statements and summary financial information is set out in Table 10 below:

Summarised financial statements
Includes a summary of the Statement of Financial Activities and/or Balance Sheet.
The summary is derived from statutory accounts.
A financial statement that purports to be a Statement of Activities or Balance Sheet or summary thereof.

the relevant places

Represents the entire finances of a charity or a charity group.

373 As charitable companies are not listed Companies Act 1985 concerning statutory summary financial statements do apply. The recommended financial statements are consistent with these and no legal provisions for other charities.

374 As the form in which such information or depending on the purpose for which they have recommendations on the content of summary financial statements.

The general principles which should be followed

375 Regardless of the intended circulation of financial statements, the full Annual Report and

Any summarised financial statements:

- (a) should contain information on both the Statement of Financial Activities and the balance sheet
- (b) should be consistent with the statutory accounts
- (c) should not be misleading by either omission or commission

376 Summary financial information will not necessarily include the Statement of Financial Activities and balance sheet but should be consistent with the statutory accounts and not be misleading or inconsistent with the full financial information.

Summarised Financial Statements

377 Summarised financial statements should be approved by the trustees, indicating:

- (a) that they are not the statutory accounts
- (b) whether or not the full accounts from which they have been extracted have been externally scrutinised (where appropriate, by the reporting accountant's report); and
- (c) where they have been externally scrutinised, whether they have received a qualified opinion, limitation of scope, etc;
- (d) where the report contains any concerns, an emphasis of matter, sufficient details should be included to enable the reader to appreciate the significance of the concern;
- (e) where accounts are produced only for a particular purpose, it should be clearly stated that the summarised financial statements are not extracted from the full accounts of the reporting period;
- (f) details of how the full annual accounts, together with the Trustees' Annual Report can be obtained;
- (g) the date on which the annual accounts were prepared;
- (h) for charities registered in England and Wales, whether or not the accounts have been submitted to the Charity Commission.

378 If the full accounts have been externally scrutinised, the reporting accountant's giving an opinion as to whether or not the summarised financial statements are a true and fair view of the full annual accounts, should be attached.

Summary Financial Information

379 Any other summary financial information should be approved by the trustees on behalf of the trustees as to:

- (a) the purpose of the information;
- (b) whether or not it is from the full annual accounts;
- (c) whether or not these accounts have been externally scrutinised (where appropriate, by the reporting accountant's report);
- (d) details of how the full annual accounts, together with the Trustees' Annual Report can be obtained.

the relevant places appropriate, can be obtained.

Accounting for Retirement Benefits

Introduction

430 There are two main types of retirement defined benefit schemes. Definitions for both are set out in paragraph 177. The accounting to account for each are included in this section.

431 A charity participating in a multi-employer defined benefit scheme should set in relation to the current service period only the underlying assets and liabilities on a contribution basis. The charity should make contributions to the scheme as if it were a defined benefit scheme and identify its share of the underlying assets and liabilities. The disclosures in paragraph 446 should be provided.

Defined Contribution Schemes

432 The cost of a defined contribution scheme is the contributions payable to the scheme in the period. The cost should be allocated across the relevant resources expended in the period. The disclosures set out in paragraph 177. The note disclosures in paragraph 445.

Defined Benefit Schemes

433 FRS 17: Retirement Benefits substantially applies to defined benefit schemes (see Appendix 2: FRS 17). The surplus/deficit in a defined benefit scheme is the value of the assets in the scheme over/under the liabilities in the scheme in accordance with FRS 17 principles:

(a) An asset should be recognised to the extent that the scheme has surplus assets either through reduced contributions in the future or through a surplus of assets over liabilities.
(b) A liability should be recognised to the extent that the scheme has a deficit either through increased contributions in the future or through a deficit of assets over liabilities. Similar principles should apply to in-service and incapacity benefits, that are not payable on termination of a defined benefit pension scheme.

434 Full actuarial valuations of a defined benefit scheme should be obtained from a qualified actuary at intervals not exceeding five years or at the balance sheet date to reflect current conditions.

435 A surplus or deficit in a defined benefit scheme should be recognised in the unrestricted funds of the reporting charity. The charity should have control as to the future use of a surplus or deficit. A surplus may be used for a refund from the scheme. Similarly, where a liability is recognised to make good a deficit, this liability will normally be met from the unrestricted funds of the reporting charity.

Allocation of Retirement Benefit Costs and

436 The change in the defined benefit asset or liability in the period is the cost payable to the scheme which affects the surplus or deficit. The cost should be allocated to the Financial Activities on full implementation of FRS 17 (and transitional arrangements).

437 Pension costs may be allocated between the Financial Activities on the basis of the charity's contribution to the scheme. The allocation should be reasonable and consistent. Allocations of pension costs within the scheme (including contributions payable) may also produce an allocation of pension costs. The allocation should be based on the following:

(a) The changes relating to current or past service

(a) The charges relating to current or past security curtailments should be allocated to the appropriate paragraph 432.

(c) Where past service costs, or gains or losses (in the context of the particular expenditure (or income)) are amounts should be disclosed as exceptional in a Performance (see Appendix 2).

Restricted Funds

440 Where the criteria for the recognition of a
met, the related pension costs should be re
Statement of Financial Activities. The compone
the same Statement of Financial Activities ca
preceding paragraphs.

Disclosures

444 Where a defined contribution scheme is op
disclose:

445 FRS 17 disclosure requirements for defined pension plans should refer to the text of the standard in context. Financial statements should include the following information:

Library document1621710332608186567.xlsx 146 02/01/2022

the relevant places

- (c) the contributions made in the accounting years;
 - (d) the main financial assumptions used at the date;
 - (e) the fair value of scheme assets analysed between expected rates of returns;
 - (f) the present value of the scheme liabilities and a fair value of the scheme assets;
 - (g) an analysis of the amounts for each of the credits or debited through the Statement of Financial Position.
- 446 Where a charity operating a defined benefit pension scheme and the value of underlying assets and liabilities cannot be independently confirmed by the scheme administrators, the charity must provide available information about the existence of the surplus or deficit for the employing charity and an explanation of the general circumstances giving rise to the deficit.
- 447 When a charity operating a defined benefit pension scheme, the trustees must explain in the notes to the accounts (or Trustees' Annual Report) if they elect to NOT do so in the trustees report explain any limitations placed on any restricted investments arising from the disclosed liability.
- 448 If a material pension asset is disclosed, the charity must elect to NOT do so in the trustees report explain the asset and give an indication of the period over which the asset will accrue to the charity.

...rred to by cells or text boxes

...ch is addressed via hyperlinks from

...or the year ended 31 March 2021.

**Check the Links page
for a wealth of external
Links to external resou**

...1

Links to other pa	
Tab to the relevant Exc	
Links	Links to ext
TB	Trial Balanc
Data	Data sheet
Cover	Front page
Contents	Contents pa
Director	Trustees Re
Audit	Independen
PL	Statement o
BS	Balance She
CF	Cash Flow S
Notes	Notes to the
DetailPL2	Detailed scl
Appendix	Activity ana
Library	Standard te
Disclosure	Disclosure c
History	Details of a
CFworking	Internal wor
Workings	Internal wor
CC31	Independen
Or for charities in Scotl	

...for:

...eir interests in the share capital of the company were as follows:

...accordance with the special provisions of Part VII of the Companies Act 1985 relating to s

...tion for the year, the taxation charge would have increased/(decreased) as follows:

[Return to Trustees Report](#)

y as set out in its governing document.

...as set out in the memorandum and articles of
... , advancing and maintaining religion and education

tenets of the Church of England, and promoting and nominations.

Isaiah 58 (NKJ) in the City of *, West * and *;
benefit and in particular by the provisions of food ,

a Sunday School in *;

l *;

parcel distribution to homeless and needy in *

l *.

[Return to Trustees Report](#)

cation of all pupils and students attending schools in
itment of , and promoting and providing training and

id families who are clients of statutory or voluntary
of which is concerned with the relief of the poor, the
other persons in need, by the collection, storage,
are to such persons or in such other ways as the

working of charities in * and to research, develop
urage the public to donate furniture to be used as per
e sustainable waste management practices.

itable purpose for the benefit of the community in *
y the advancement of education, the protection and
sickness and distress.

roviding free, confidential, impartial, independent and
blic and by acting in response to the information we
ated social policy work. General and specialist advice
d in * and * and outreach services in *, by a Team
inded projects targeted at particular groups of people.
ecognize the growing and changing needs in the
egy aim to identify gaps in services and to seek

and maintenance of a village hall for the use of the
d thereof (hereinafter called "the area of benefit")
er opinions, including use for meetings, lectures and
leisure time occupation, with the object of improving
d the provision of services ancillary of a village hall.
ust for the purpose of a village hall as aforesaid.

that of: enhancing the development and education of
/-

de for the needs of their children through community
ation and care facilities and training courses,
onsibility for and to become involved in the activities
er opportunities for all children whatever their race,

ildren and their families and promoting public

aims and objects of the Pres- School Learning

age through their leisure time occupation so as
capabilities that they may grow to full maturity as
their conditions of life may be improved.

women, girls and their families who are, or are at risk
ing or violence through prostitution, with particular
vision of, but not exclusively, such services as advice,
modation.

on and its impact on individuals and society.

es or differences it seeks to make

[Return to Trustees Report](#)

g them with furniture, furnishings and white goods
nd enabling them to take their place in society.

ociation of Citizens Advice Bureaux (CitA), namely to :
ance of their rights and responsibilities or an inability

lopment of social policies, both locally and nationally.
arity is committed to improving the quality of life of
h maximising their income, helping them manage
assisting in the resolution of problems which have an

the charity during the year and the position at 31st
: to continue its activities during the forthcoming year
lfil its obligations.

cultural betterment of the inhabitants of the area of
velopment put forward by the trustees are divided by
already completed (comprising making the building
be used as a branch library, and a four office block on
it has just started and it will add a small hall to an
and cafe area. The final fourth phase of development

e back of the building, six workshop spaces and car

wrap around care to all children in the area whose

active agents in responding to the sexual exploitation

users

h agencies

o the need for even more effective legislation and
xual exploitation by pimps and perpetrators.

ding of the complex and changing operation of pimps,
n-country trafficking, and challenging inaccurate

collectively with other parents and offer each other

bjectives for the year.

[Return to Trustees Report](#)

amongst individuals and families in the City of * by
e, refurbish and repair it where necessary and deliver

r Citizens Advice Bureaux and related organisations in
im of which is to provide a co-ordinated and cohesive
's objects are 'to promote any charitable purpose for
inding areas by the advancement of education, the
lief of poverty, sickness and distress.

2005-6 is to achieve self-sustainability. To this end we
ces, trying to reduce expenditure and to enhance

to maintain the viability of the charity, and ensure its
its long term objectives. The charity also aimed to
es, both by obtaining funds from grant making bodies
illary activities that would generate funds for its core

he * region, being in contact with circa 50 families in
me active players.

ry, building on established links and proven need for

olice in order to achieve more effective prosecution of
clusion of a relevant police performance indicator.

in seeking recognition of the extent of the hidden 'in-

e the practice of relevant agencies in response to

ral public about the complex and abusive nature of
of all young people.

ation of a coordinated partnership response to meet
sentation in racial discrimination cases across Leeds;
under the activities of the far right; on the basis of
priorities and lobby the local authority and statutory
the local Gypsy and Traveller communities.

ies for achieving its stated objectives.

[Return to Trustees Report](#)

upport the staff, premises and transport necessary for

ering the period 2004 – 2007, which sets out its plans
ment Plan is reviewed on an annual basis
in February 2006 to consider its current scale of

f the performance of the Board through a process
marking the Board”; the results will become available

efficient acquisition of products, a more effective use
a sustained advertising campaign, a more efficient
forward-looking view of our business.

activities in a variety of local media, and to approach
this.

able to provide adult courses on a variety of subjects,
the running costs of the charity out of the surpluses

and development worker (half time each), a full time
the administrator. Secure new funding for another two

processes of targeting and grooming by pimps; act as
evidence systematically
who are experts; advocate their rights; organise parent
the parents involved in training or telling their stories

follow up to 2005 national * conference, and in
the police performance indicator.
this issue at the police vice conference.
to further government consultations

to further government consultations
to relevant government consultations; to produce a
ficking.
ers to enable better practice in relation to affected
ortunities both at conferences and within specific
to respond to appropriate media

**ng its main programmes, projects, or services
ement of the stated objectives.**

[Return to Trustees Report](#)

t families in *, the charity has delivered in excess of
appliances to 2,438 faimiles during the period covered

iture have been replaced and refurbished and more
ed for safety and repaired where necessary.

agreed strategies include:

eneralist and specialist advice services by
oping new offices in the * area
numbers of volunteers to provide a comprehensive

reach groups within the community
on

uality by:
and volunteers
advice sessions
specialist advice providers
ding and monitoring work
to help review our services

policy team at Citizens Advice
rn
iancial exclusion and raising these with financial

library and information centre, learning net, lifelong
ighbourhood nursery, and a rifle club.
oan, North * Male Voice Choir, Karate, Flower Craft,
, Needlework class, Aerobics, Luncheon Club, Weight
ation.
ociation of Community Partnerships, Neighbourhood
a charitable arts organisation that works with special
hey also have a workshop/ artistic editing studio.
the hall.

courses for children of all ages. This contributes to the

very successful and generates funds that enables the

very successful and generates funds that enables the

the Home Office and latterly from the Department for
Grant Programme, to fund a Parent Support and Advice
5). * took up the post in June 2002 and set up the
support parents in families affected by prostitution and
develop and use their skills and knowledge. It has

in need of this service. In 2005-6 *, now funded by
creasing numbers of parents by providing emotional
etings and a telephone help-line. Over 140 cases
y in West and South *, but also across the country.

derstanding of the processes by which children and
to this end the unit has continued e.g. to disseminate
d by the Parent Support Unit. During the year it
ces Act 2003, and a research report Parents, Children
loitation.

s and respected partners in working positively with
olice, social services, schools. * has continued to
to make a full contribution. She has also continued
ocial services. This has included meetings with senior
nection with criminal pimping networks, and close
e has also delivered training, e.g. to South * Police.
t with * Business, *.

e relationships with children at risk of, or involved in,
ediating role by bringing parents and children with
lerstanding.

parents of the risk of children being drawn into
create and seize opportunities in the public arena,
of the issues and its work, and has disseminated its
he making of a programme for Radio *. It has also
be forewarned of the dangers, and has discussed this
ing centre, and this has led to increased surveillance
and grooming.

evant statutory agencies to attend case conferences
arents to enjoy their rights in this matter.

[Return to Trustees Report](#)

nt

[Return to Trustees Report](#)

is, all of whom are volunteers, and utilises the services on a regular basis, some of whom are involved on training

[Return to Trustees Report](#)

generous contribution of time and commitment from professional service is delivered. The * currently has administrative work. Between April 2005 and March 2006 12,000 hours. In addition, the majority of the work is done by the Bureau. During this year the Treasurer * was appointed as Treasurer in London and subsequently * was appointed as Treasurer. There have been no other changes to the Board during the year.

Appreciation to all the staff and volunteers, and their efforts, who have worked tirelessly, giving their commitment and time in support of the local community. The Board is also grateful to the Bureau to deliver the core services and specialist services.

and administration.
ers.

arity as all of the trustees are volunteers. Parents and children are encouraged to participate as volunteers in any and all activities.

harmony, apart from the very active Trustees, and the staff. It is, however, currently seeking to develop a role for the new part time development worker. In order to support the work of the new part time development worker, we will seek to gather - through relevant local agencies - support to affected parents. It is hoped that these efforts will be enough at the point of intense crisis this may not be the case.

Activity in relation to its objects

[Return to Trustees Report](#)

Activities achieved are detailed below:-

including the organising of formal talks and seminars, the number of public bodies and developing and supporting the role of faith in that search.

actively promotes a free collection service of items at charge, to families who have been assessed by the council as being in need.

household waste sites and recycled after checking for

tions were made of items which after checking and delivered to people in need.

ces is provided by * City Council (*CC) and this has arch 2005 the funding from * City Council for the 200,000. As a consequence the Board was compelled and resolved to introduce a revised structure for the ncluding the introduction of the new post of Service he replacement of the site-specific Service Delivery ach office, was introduced in July 2005 and has so far

rtunities for education, cultural activities and leisure. vents which are available.

on of preschool education and all day child care for 2-6pm five days per week for 50 weeks of the year to sional preschool education to meet Foundation Stage

week to provide activities within the Birth to Three

l age children attending * Primary School, including a centre. During school holidays the centre caters for imately a 10 mile radius of the centre.

fered during term times from computer skills to art

work with other agencies

and in public places

ation
n and Pimps

taken by the charity

[Return to Trustees Report](#)

operate all year collecting, repairing and distributing in need and maintaining links with more than 150 ple with social and material needs.

to enjoy improvements to their standard of living
In achieving this more than 614 white goods (i.e.
ed and recycled as well as more than 550 items of

re for collecting and distributing furniture and white
of * and intends to carry on doing so as long as
re is a proactive recycling programme working in
ite goods and furniture.

activity. We only provide space and facilitate other

monthly tea dances and provides private hiring of the

ed Old Fire Station, a multi-purpose building used by
es. The Centre serves the rural communities of * and
. It is situated some 11 miles from each of the major
rs are sourced locally where possible so as to offer
ablish community involvement at grass roots level.

with the Company's objects clause. The pre-school
some 40 places, as well as wrap around care in the
as successfully integrated the introduction of 2 year
for 3 of the 5 morning sessions, and occupancy was
noon sessions. A new Children's Group Manager has
ps and move towards full occupancy of the various

ed in popularity throughout the year and now is a
g parents. The Holiday Clubs have been very well
activities resulting in repeat bookings and a growing

ourses and enrolled 451 learners. This has exceeded
and Skills Council which has supported this aspect of

s from various funding bodies to employ workers, and
, both quantitatively and qualitatively, and reports on
always satisfied (and often more than satisfied) the
es can be supplied on request. For the purposes of
on objectives, strategy and activities, and evaluate
ie noted especially that in the nature of the case
antitative. At the front line one is listening to parents
and recognise the reality of their situation; help them
and strength; show them what they can do to help
ed; and encourage them to be proactive in mutual
ers, and in speaking out in the media.

[Return to Trustees Report](#)

not mandatory)

identified in the accounts , whose support is valued.

publicity in local newspapers and periodicals.

s and hiring of the hall and the Gala.

n the Learning and Skills Council. There are regular supplement grants received.

inst investment objectives set

[Return to Trustees Report](#)

vestment principles which are described in investment policies and objectives.

erly in comparison with the statement of ved on the discretionary assets managed

Z, but a minor proportion is held with a the risks and create an operational

l quarterly report on their performance l indices as benchmarks. The Investment ne managers to discuss performance in jic issues that the Subcommittee or the

matters referred to in these notes under ast annually any issues arising from the licy or strategy which the charity should

in place.

policy described in the financial review y cash held by the Bureaux in its Bank's e Bureau's cash is held in a bank current is and when they become payable

the charity's objectives

[Return to Trustees Report](#)

ity are considered each year by the trustees when ating to finances. Should there be no poverty within

to carry out certain works themselves or the Local
y would have to seriously consider its future. In like
erted elsewhere or cease completely then the Charity
cover any of the afore mentioned eventualities.

[Return to Trustees Report](#)

nce of:
ecialist Advice Services and a range of other grant-
bureau has negotiated contracts
orkforce

shing new premises in the * area was delayed due to
itable. It is now likely that progress on this aim will be

chieve a good working relationship with the staff and
streams successfully, so we can continue our capital
ract with the community with the aim of regular
id services. To endeavour to attract the interest of the
ake in the VH activity, by becoming members of the

aintenance

hbouring villages which effectively compete with the
ve.
c authorities.

stereotypes and false assumptions are rife among
f securing sufficient funds, both to maintain and also
difficult to secure statutory funding. We do not work
re local authority funding is almost impossible. We
the Home Office and DfES. For the DfES we are not
it is not the parents who cause the problems but the
l as working primarily with the 'front line victims', i.e.
e that parents too are victims but also strategically
most effective way of helping the children and young

Is for its services and many tasks to perform, and it is
ministrative help, ideally a part-time paid post.

the charity during the year

ar , plus a new additional minibus. The pastor is a full

ind Asian school governors.
al and existing governors.
unity

[Return to Trustees Report](#)

n *, * and *

charity include :-

n has continued , the van having been replaced. The
oon, as NCP have sold the premises.

g.

er aspects of the warehouse.

a replacement and one as an extra. One was bought
anonymous.

1 the year , whilst the Sunday School in * finished due

om 1st June 2005

re for collecting and distributing furniture and white
of * and intends to carry on doing so as long as
re is a proactive recycling programme working in
ite goods and furniture.

onal £* in welfare benefits and tax credits, including
i.

of a total of £* of household debt.
ies, through intervention in respect of repossession

loyment tribunals.

Benefits for * Project and the Advice Service at the *
tinuation funding for its Volunteer Development &
work at * prison. Funding was also secured from the
t in May 2006.

volunteers. In the same period 8 volunteers left for
ld.

he year are successfully negotiating a grant funding
Regeneration Trust, funding which will be coming in
catering and general management to achieve a
encourage regular users to aspire to more dynamic

l Ball and Gala, monthly tea dances, hiring of the hall,
doors replaced.

ich are inherent in work of this kind, we see as the
arly 150 families in three and a half years
ling updated leaflet and Sexual Offences Act booklet
work with other agencies

and in public places
ed number of requests for talks and contribution to
entation. There were extensive responses both to
ig consultation' - both from the Home Office.
n and Pimps

Association of Chief Police Officers)

ude the support from the National Lotteries Charities
e area.

s' work for children of none church going families .
modate all church activities.

[Return to Trustees Report](#)

*, remain the same. *'s 2006 leaflet focuses these
ciety in 2006-7, with the following strategies in each

ntinue to be active agents in responding to sexual
tegy: provide direct support in * region through the
elop this service by extending it to other parts of the

en get free of their abusers. Strategy: equip parents

eting and grooming by pimps; to act as mediator
lines of communication open; to gather evidence
or children.

rs with agencies: Strategy: to support them in the
icate the right of parents to be involved with other
ces; and to organise and deliver training to other

ne need for more effective legislation and practices to
portance of this at both local and national levels, and
gy: work principally through the Policy and Research
ic elements within the Home Office and senior police;
tions, and develop ways of being involved in on-going

1 constitution of the charity

ited by guarantee and is therefore governed by a
: directors of the company are also trustees of the
rity, and membership of the board of trustees is
association. There are no restrictions in the governing
its investment powers , other than those imposed by

[Return to Trustees Report](#)

ed by its memorandum and articles are

overned by a trust deed. Eligibility for membership of
trustees is governed by the trust deed. There are no
operation of the charity or on its investment powers ,
v.

own Memorandum and Articles of Association.

8 volunteer members who have overall control and
ing and all are Directors and trustees.

r implementing policies is carried out by a full time
part time employees plus a number of volunteers and

ent and appointment of new trustees

hen beneficiaries and client organisations are invited
compliance with the Memorandum and Articles of
ig body of trustees for election.

nnected with them there are no individuals who are [Return to Trustees Report](#)

è shown in the notes to the accounts. This includes

annual General Meeting and retire from office at the

... ..
e elected. Any casual vacancy arising during the year
d; that person is then duly elected at the subsequent
er and three additional staff are also Trustees, as
party has a right to appoint a Trustee.

ular users, and from members of the local community.
by the trustees and ratified at the annual general

it and often specialist knowledge. This has always
by *'s issues as parents are among the trustees. This
those with complementary skills - e.g. finance,
nce and knowledge. * has had a very stable group of

teeship.

or the induction and training of trustees.

i Management Committee meeting, as well as visiting
members of staff.

sd with all relevant information from the Charity
further information from the Charity itself regarding

[Return to Trustees Report](#)

continual basis, to attend any courses which are

ff and volunteers are trained to a very high standard
public. The Bureau is a member of the National
nown as Citizens Advice) and is subject to a quality
ets the requirements and standards set down by the
d out in March 2005.

: for the training of trustees, other than the "do's and

tion pack containing details of the memorandum and
erformance to date, budget, insurance cover and
i Directors Agreement detailing their obligations as an
operate.

; the need for specific skills has also been identified -
experience. * will seek to recruit in a variety of ways
it be appropriate and also by sending details of our
be inducted by being sent past papers, initially just
ers and spending time with existing staff. They will

responsibilities of trustees as identified by the Charity

over status and they are supplied with an explanatory

irity and how decisions are made.

ers , but is answerable to four elders, all of whom are

to discuss and plan objectives and implementation
with all members .

[Return to Trustees Report](#)

ction.

oard. It has established sub groups which discuss the
ology, premises and staffing. There is also a standing
i. The subgroups are serviced by the manager. The
d of trustees and monitor operational activities. Staff
y out day to day work within policies agreed by the
authorisation of different amounts.

e affairs of the charity are managed by an executive
ry academic term.

il Meeting and consists of the following members:-

isch district) representing Black Governors' Forums,
l educational organisations.

uncils

s

' simple majority votes cast by members present,with
of an equality of votes, the Chair may excercise a

8 volunteer members who have overall control and
ing and all are Directors and trustees.

r implementing policies is carried out by a full time
part time employees plus a number of volunteers and

ctors, whose members are also the Trustees of the
roughout the year. At present there are two sub-

ing both Board members and staff. The terms of
irmed during the year. The Finance sub-committee
r the annual budgets and to consider other finance
eets as and when required for recruitment purposes,
urce policy. During the year it has met on a total of 7
ished for specific purposes. All groups report back
d. The Board delegates the day-to-day responsibilities
District Administrator, a Training Officer, the Service
dvce Session Supervisors and by other specialist and

[Return to Trustees Report](#)

s a management team. From the board of directors a
o" which directly liaises with the Village Hall manager

a monthly basis to discuss and plan objectives and
cern are raised with all members .
Meeting and consist of the following members:

nbers
may be co-opted by the Directors.

simple majority votes cast by members present, with
an equality of votes, the Chair may exercise a second

iding co-opted members, shall at the time of election
nt that this requirement cannot be achieved, the
: Members to make up the balance subject to each of
local Branch Executive Committee of the * Learning *.

or a term of one year at the Annual General Meeting.
inless they have already served as Directors in any

swerable to any other organisation.

ciation of Citizens Advice Bureaux, known as Citizens
Bureaux in the * Specialist Advice Services Company.

[Return to Trustees Report](#)

village to assist in fund raising.

related parties, including its subsidiaries

It has many transactions and a controlling interest. There are no transactions with them.

Connected with them there are no individuals who are related parties are shown in the notes to the accounts. No Trustees.

[Return to Trustees Report](#)

exposed and reviews and

COMMENDED BY THE CHARITY COMMISSIONERS

Guidance is) **IS AS FOLLOWS** :- (However this is not required)

In the charity is exposed each financial year when particular those related to the operations and finances of major risks which have been identified, and establish satisfied that the systems are in place to mitigate their identified and reviewed.

[Return to Trustees Report](#)

E APPENDED INCLUDE :-

It fundraising because its activities are supported by of investment risks and policies adopted to mitigate the Statement.

of any organisation, and the charity has introduced signatures being required for payments from the bank explained to members of the charity and are open for

open to risks . The policy is that client's visits and risk and transport.

assess . Where necessary checks are undertaken with

poverty left and all families and individuals were and household goods for their needs, or if incoming are to stop, or if local and statutory agencies chose to meetings with the largest and most advanced agencies the increase and the demand is unlikely to be met by / to foresee the future regarding donated furniture, the Charity to cease functioning in a proper manner

by the auditors, Peter Brown & Co, who advise the the business risk assessment undertaken by them as

ent. This risk is mitigated by the fact that the charity

ies and individuals

* Christians of whatever denomination.

is to provide food parcels and furniture.

horities and the local governor forums in the region of
n , and support the retention of Black and Asian

[Return to Trustees Report](#)

maintain contacts with minority ethnic governors,

more than 160 statutory and local voluntary agencies,
well as liaising regularly with other charities carrying

ps is to provide them with space and support when
onally we will provide space and support free or at a
pay, with the provision that the applicant should be
benefit to our local community.

ganisations.

ption of the activities of pimps and the support of
r organisations in its concern for women and girls
- violence through prostitution. It has many informal
l nationally, in order to offer mutual support and

ves to provide for future activities, and to provide
nths ahead in the sum of £X.

ets are retained to produce income income which is
ere is no intention in the long term to either increase
; policy is justified in that it is necessary to preserve
n the activities of the charity.

[Return to Trustees Report](#)

ves to provide for future activities and the trustees

res to provide for future activities, and the trustees

ined that the existing assets be retained to produce
ng activities. The intention in the immediate future is
ler to preserve the income necessary to maintain the

o cover a reasonable period of expenditure, should
d in an interest bearing bank account. Investment
ty does not have capital to invest other than to meet

fore has no share capital. As part of the Business and
en drawn up. This is split into four priorities:
or running costs for a three-month period.
tual commitments in respect of staff

acement, relocation costs, etc.
onor and not available for general purposes

ns are all included under 'Unrestricted Reserves', as

eserves.
cific figures are quantified and disclosed in any

after allowing for unrestricted fixed asset funds, total
the the only effect of this deficit is on liquidity . If the
eed, then £* will be released to unrestricted funds,
roceed, then there will be substantial funds available.
, and the trustees are taking steps to reverse the

[Return to Trustees Report](#)

**enditure in the year under review has
arity.**

ty, trading subsidiary and donations from charitable

expected a shortfall in the predicted income from
in the services able to be offered.

[Return to Trustees Report](#)

iaty of sources and these are set out in detail on the

ity of sources, and these are set out in detail on the page *.

ued to operate with a current membership of 88 paid and other fund-raising activities, are used to support

e the continued financial support from * City Council, Fund.

tivities, revenue funding (now ended), and all other income allows us to support our objective and stay

dances, hiring of hall for private functions, hiring of village gala.

including the extent (if any) to which social, s are taken into account.

LARGER CHARITY MIGHT BE AS FOLLOWS AND CHARITY

im is to promote religion and education . It has fixed [Return to Trustees Report](#)
ding, *, and the income generated by the assets to

oard of trustees has adopted the following objectives:
allows the support of an equivalent level of

o provide for a level of income that matches
pital over the long term.
rity, with the highest achievable total return
of the Church of England.

various financial risks. The board has considered the

the increases in real capital or income

: managers will not achieve the returns

a mix of direct property and marketable investments.
vestment managers who have full discretion over the

mately 30% in property (including *) and 70% in
ies. These proportions have been adopted to reflect
s having considered the balance between risk and

lines as the Church of England. The instructions given in these guidelines.

portfolio are only made on the basis of individually. The charity currently only holds 2 such investments and reported.

the XYZ Fund. The manager has full discretion, within the aim of the Fund is to achieve steady income and invested in equities. At 30.11.2001 the Fund was invested in equities, 9.7% in bonds and 8.2% in property and cash. The unit pricing.

any portfolio of UK Equities. The manager is aware of the need to provide capital growth at medium risk by investing in a range of active instruments where appropriate. The expenses include a management charge and the application of a fee on transactions.

and as there are no funds available for investment

is derived from grants received from funders to cover the costs. If it is required on a continuing basis, the Board has a Bank current account with any surplus to be retained

income, with the exception of a small cash flow, is

Board of Trustees has adopted the following objectives: to provide the support of an equivalent level of activity of the

provide for a level of income that matches inflation and to ensure the security with the highest achievable total return.

expenditure at present beyond secured funding for three years will not be available after that, and so the Trustees will need to secure additional funding for new development work in the future.

the proportion of the assets in a Charity Line account of 50% of return. The Trustees have been taken into account.

the investment and report regularly to the Trustees.

[Return to Trustees Report](#)

each of the funds

y's assets in each fund are available and adequate to

rces expended

include dealing costs, and management and advisory [Return to notes](#)
nent .

enerating of funds

diture directly related to the objects of the

bjectives

number of client organisations, and every
es in relation to pre agreed parameters. The
:cept the application subject to conditions.

ant to any organisation , and after approval,
val already granted , either before or after
it is to create a creditor for grants relating
t financial year of the trustees immediately
o activities in subsequent financial years as
NO to these accounts.

such grants approved and unpaid, and a
. The comparative figure for 2000 was £*

[Return to notes](#)

es

trading costs that have been incurred in
ciate Manager are involved with project
ary costs are treated as direct charitable

poses comprising the salary costs of the
are involved with project development and

a charity for its charitable purposes has been let to a none charitable organisation. In ord
value from fixed assets to investment assets, and the details are shown in the appropriat
: directly related to the administration of the charity
agement of the charity's assets, organisational
and statutory requirements.

as expended

costs, where it is impracticable to allocate these costs
le expenditure and the trustees have allocated such
llows :-

i different activities

lifferent activities

as expended

osts, rent and other related costs. Such costs are
ended and between charitable expenditure and [Return to notes](#)
f estimates made by the directors.

as expended

iditure not directly related to charitable activity. In
matter of judgement as to whether such items are
trative , and the directors have applied what they [Return to notes](#)
rtioning such costs.

as expended

and apportionment of all costs between the different
e are based on the test of whether a cost directly
ncome. Such identifiable costs are apportioned to the
cated to support costs of charitable activities.

t realisable value. Donated goods held in stock are
ting purposes.

i an asset. One is for £10,000 and has no restrictions

ner is for £20,000, and is subject to restrictions on

[Return to notes](#)

ith £30,000 as capital grant received. Both have the
d on capital assets, so they are treated as £30,000

0,000 is shown as transferred from restricted revenue
d asset funds, and £20,000 going into restricted fixed

ng all other transactions, the balance sheet at year 1
ed asset funds £20,000, designated fixed asset funds

pect of the £20,000 grant detailing the basis of the
ll detail the restriction

balance sheet at year 2 will be fixed assets £22,500,
d designated funds £7,500 and unrestricted revenue
unrestricted depreciation of £2,500 and restricted
sfer from restricted fixed asset funds to restricted
ed fixed asset funds to unrestricted revenue reserves
stricted and restricted revenue reserves.

pect of the £20,000 grant detailing the basis of the
ll detail the restriction. If the liability is probable it is
ility

s

[Return to notes](#)

er to comply with the Statement of Recommended
by the Charity Commissioners for England & Wales
assets or grants of a capital nature given for specific
f the objects of the charity should be credited to the
een properly expended on the restricted purpose. The
ne full cost of acquisition or subsequent revaluation.

i by the grant making organisation on their use and
the fixed asset section of these accounts. In such
is treated as a restricted fixed asset fund. As the
sfer is made from restricted fixed asset funds to
nution in the asset subject to the restriction. In this
ed from restricted fixed asset funds to unrestricted

ns by the grant making organisation on their use and
is treated as a designated fixed asset fund. As the
fer is made from designated fixed asset funds to
nution in the asset. In this year, a sum of £* (2005 -
funds to unrestricted revenue reserves.

for example, the asset's future sale, is disclosed as a
trigger repayment of the grant becomes probable in
d

nts and to the extent that it may be a departure from
e Number 4, such departure is justified on the basis
ment of Recommended Practice for Accounting and
narity Commissioners for England & Wales.

e of property

ie conditional sale of the freehold property has been
l never be returned to the payer, and is effectively an
fact. However, this amount is then transferred to
hat if the conditions are met, and the sale proceeds,
amount.

d * are fully incorporated within these accounts.

[Return to fixed assets](#)

ents and heritage assets)

it:
ied on initial acquisition and included in the balance
valued;
rather than maintains) the performance of tangible
ner than investments) fall into two categories, those
the running and administration of the charity) and
12). Paragraphs 255 to 278 describe the general rules
alance sheet. In principle heritage assets meet the
sed and included within a charity's balance sheet.
the cost or valuation of heritage assets can only be
h information lacks sufficient reliability. Specific
t of heritage assets are set out in paragraphs 279 to

uded in the balance sheet using the following bases.
are directly attributable to bringing the assets into
can include costs of interest on loans to finance the
e charity has adopted this as a policy for all tangible
d cease when the asset is ready for use. This applies
ire purchase or finance leasing.
or in part from the proceeds of a grant it should be
ase of a joint arrangement at the gross value of the
1) without netting off the grant proceeds.
ated, they should be included in the balance sheet at
also included in the Statement of Financial Activities

id some time after being acquired, for example, as a
should be included at original cost or at the value at
f Financial Activities less an amount for depreciation.
ainable, a reasonable estimate of the asset's cost or
uch a valuation will be regarded as the asset's initial
[Return to fixed assets](#)

evaluation (see paragraphs 262 to 266).
If the carrying amount of an asset is higher than its recoverable amount, it will be written down to its recoverable amount. This is covered in more detail in

Investment and Functional Purposes

Fixed assets are those held for long-term purposes, ie. partly as functional property and partly as investment property. The extent to which they should be included depends upon the extent to which they are separable. The following are included:

Assets used in the ordinary use of which a part is leased at a commercial rent and included within tangible fixed assets provided the lease term is long.

Assets held for investment purposes (Glossary GL 39) where the asset is held for long-term and should be included within the fixed asset investment

Assets which are distinguishable parts which are held for different purposes and do not fall under (a) or (b) above, should be distinguished between functional and investment assets.

Depreciation of Fixed Assets

Fixed assets are those which wear out, are consumed or otherwise suffer a passing of time or obsolescence. Their value is thus reduced over time. This expenditure should be recognised by means of depreciation and shown in the balance sheet as a deduction from the value of the relevant fixed assets.

Assets which are included in the balance sheet should be depreciated over their useful economic life. The only exceptions to charging depreciation are:

Assets which are expected to have an indefinitely long useful life; or
Assets where depreciation is not material because:

Assets are at the time of acquisition or subsequent revaluation, the carrying amount of the asset is so low that depreciation is immaterial; FRS 15 requires that the asset is subject to depreciation if it is above the threshold for following the FRSSE); or
Assets have been included in the balance sheet (see paragraphs

Values of fixed assets should be reviewed at the end of each financial year. If there is a material change, the value of the asset should be [Return to fixed assets](#)

Assets consisting of two or more major components with substantially different useful lives should be accounted for as a separate asset and depreciated

Revaluation of Fixed Assets

Fixed assets (other than investment assets) do not need to be revalued. Where such a policy is adopted, whilst it can be applied to entire classes of fixed assets. Therefore, if a class of assets is revalued, all assets in that class must also be revalued. Classes of assets should be revalued, according to the operations of the charity (see

Assets which have been capitalised as a result of the change in an accounting policy should be treated as a revaluation and hence will not require the entire

Assets should be revalued at a revalued amount at the date FRS 15 was adopted (for periods ending on or after 23rd March 2000) this will not prevent the requirement exists for such assets to be revalued periodically

Assets, their value must be updated on a regular basis. The frequency of valuation at least every five years, subject only to material movements between individual valuations.

material movements between individual valuations.
: will be acceptable for valuations to be carried out on
lent formal professional valuations are not mandatory
tain a valuation from a suitably qualified person who
: FRS 15).

es, such as motor vehicles, there may be an active
te indices may exist allowing a valuation to be made
erson (but not necessarily a qualified valuer) either
ethod of valuation is used the assets' values must be
: value such assets can be recorded at depreciated

Charity

may become impaired. This occurs if its carrying value
than its recoverable amount. In such a case FRS 11
erable amount. The recoverable amount is the higher

[Return to fixed assets](#)

of the future cash flows obtainable as a result of an
s have fixed assets that are not held for the main
mselves or in conjunction with other assets. In these
e in use of the asset at an amount based on expected
ire of its service potential will be more relevant, such
the replacement cost of the asset. Each charity can
very but this must be reasonable, justifiable and

ried out where there is some indication that the
is below its net book value. Such a review should, as
sets or where this is not possible then categories of

nges which may indicate an impairment include:
ice of the fixed asset;
nges resulting in a reduction of beneficiaries for a
standards which adversely affect the activities of a

significant reorganisation;
th particular activities of a charity;
ets primarily to generate incoming resources.
the charity should first determine the net realisable
net book value, the value in use will need to be
o be above the net book value, the asset should be
; made to sell the asset, it should be valued at its

ed to manipulate the write down of fixed assets. For
ased, although it may have a low net realisable value,
service delivery within the first years after acquisition.
eds to be recognised, charities should determine this
11 (whilst being able to use alternative valuation
reated as additional depreciation and included in the
with paragraph 218. The revised carrying amount of
ing useful economic life.

or further details of disclosures

[Return to fixed assets](#)

sets should be capitalised in the balance sheet (see
gible fixed assets which are of historical, artistic or
reservation and conservation objectives of a charity.
d to capitalise such heritage assets (Glossary GL 32)
and omitted from previous balance sheets when the

ssets, the charity must hold the relevant assets in
es. The objective of the charity may be specifically of
eritage assets may be integral to a broader objective
or science as in the case of museums and galleries.
initially measured and recognised at their cost.
st accounting periods and not capitalised, it may be
to them. In such cases these assets may only be

conventional valuation approaches lack sufficient

[Return to fixed assets](#)

uction or analysis of past accounting records or in
additional benefit derived by users of the accounts in
s.

establishing a cost or valuation for heritage assets and
from this information will involve the separate
ssets held within the heritage asset category. Whilst
pply on an individual asset by asset basis, it should
sub-classes of an overall collection. For example, in
sil collection may be onerous but valuing its collection

aluation bases. However, certain heritage buildings,
ation issues. Whilst most specialised buildings can be
see Glossary GL 18), particular issues can arise in
of achieving the same service potential of certain
ructures that are associated with particular locations,
irreplaceable in terms of recreating the same service
s of its heritage value or educational benefit to the
al structure or site.

[Return to fixed assets](#)

st or valuation may be difficult to attribute include:

ollections including the national archives;

l mounds, ruins, monuments and statues.

ute a cost or valuation to heritage assets which are
the open market. Where assets are purchased by a
e asset to the charity, the purchase price should be
ld be used as a reference point for the fair value of
partly purchased by the charity and partly donated, a
charity should be able to be made. Gifts on death or
arry valuations for inheritance tax purposes that may

separate row in the balance sheet and can be further
 classes appropriate to each charity eg collections,
 depreciation policy should be applied in accordance
 paragraph 259 certain heritage assets may have an
 resulting in any depreciation charge being immaterial.
 rtistic importance are held by a charity but not for
 cannot be regarded as heritage assets. Examples of
 ; category include situations where a charity:
 ; administrative offices or as part of a property
 ion or educational purpose;
 lection of historic importance, or antique furnishings
 ; retention of which is unrelated to any objectives of

o house or display a collection of heritage assets
 on or conservation purposes).
 etain an asset indefinitely for its own use/benefit and
 without external consent. Such assets are termed
 clude capitalisation of an asset.
 ie definition of heritage assets, should be capitalised
 rce sheet and in related notes. For example:
 n investment within fixed assets, valued at open
 nt properties within the investment notes.
 ndertaking its activities are included within tangible
 on an existing use basis unless of a specialised nature
 sary GL 18) valuation is adopted.
 re included at cost or valued at open market value.
 belong to a charity's restricted funds, often being

[Return to fixed assets](#)

Churches and ancient centres of learning may not
 ervation of the buildings they occupy is unlikely to be
 ets might nevertheless be considered integral to the
 o difficulties in ascertaining an estimate of the current
 ne service potential as the existing one. For example,
 nd seating capacity of a medieval Cathedral but such
 of the original in terms of the religious and historical
 ously non-capitalised assets may be impractical and
 irect explaining why conventional valuation techniques
 in the context of artefacts contained within and
 efacts contained within a cathedral or historic church.

on under heritage assets

and investment properties (Glossary GL 39) and cash
ied as a separate category within fixed assets except [Return to fixed assets](#)
ut reinvestment of the sale proceeds. In such a case,
reason for this is that investment assets are generally
em long-term (ie as fixed assets) for the continuing
capital appreciation.

me related investments (see paragraph 308), should
or at the trustees' best estimate of market value as
a true and fair view of the value of these assets to the
ister the portfolio of investment assets so as to obtain
ie risk. Investment assets should not be depreciated.
: realised, should be reported in the "gains and losses
of Financial Activities (see paragraph 219).
ve a readily available market price eg shares on a
sets for which there is no readily identifiable market
proach. For example:
l by reference to their underlying net assets or

ne of the methods in (a) above outweighs the benefit
the investment may be included at cost.
or securities (eg property), the trustees may use any
h must be done at least every five years, subject only
material movements between individual valuations. If
be revalued. Where a charity has a number of such
carried out on a rolling basis over a five-year period.

nents for a discussion of the disclosure requirements.

[Return to fixed assets](#)

ing Resources

d endowment funds - should be recognised in the
t of a transaction or other event results in an increase
n the following three factors being met:
ontrol over the rights or other access to the resource,
lication;
e incoming resource will be received;
e of the incoming resource can be measured with

gross when raised by the charity (or by volunteers
. However where funds are raised or collected for the
ed by the charity, the gross incoming resources of the
/ by the organisers of the event, after deducting their

coming resources may arise from a wide variety of
change for goods or services of approximately equal
receipt of unrestricted grants or donations (resources

[Return to fixed assets](#)

ow such differing transactions can be distinguished.
eciding how any individual transaction fits into this
: are likely to lead to different accounting treatments
ovided below set out how accounting standards and

which shall set out new accounting standards and transactions that are commonly undertaken within the accounting standards apply to different funding for each source of funds:

it law) govern the terms of the arrangement and how

a specific performance to be achieved (a contract or

purposes of the charity, or whether they can only be [Return to fixed assets](#)

ods and/or services in return for a fee as part of their s recognised as incoming resources in the Statement arity has provided the goods and/or services. Where ce then a charity may not have entitlement to these een provided. In this situation incoming resources

[Return to SOFA](#)

arity becomes entitled to the resources.

ntain conditions that closely specify the service to be unding may be set out in a service level agreement o the performance of a particular level of service or of meals provided or the opening hours of a facility ing resources derived from such performance-related on the delivery of the specified level of service and in incoming resources to the extent that the charity has

particular purpose of the recipient charity does not performance related grant. For a performance related ily arises with the performance of a specific output ment to the grant in such cases only arises as the ontrasted with a restriction that whilst limiting how a es does not require a specific and measurable output ondition of a charity's entitlement to the funds. Such t out in paragraphs 104 to 111.

riptions, these may be in the nature of a gift, or they n privileges. Where the substance of the subscription oe recognised on the same basis as a donation. If the benefits, the incoming resource should be recognised criber receives rights to such benefits evenly over the embership income on a pro-rata basis for the period e an appropriate estimation technique for income

ce activities under a long-term contract. Owing to the ts, it is appropriate to take credit for ascertainable urses expended while contracts are in progress in

ific guidance on revenue recognition under long-term recognise incoming resources in respect of its n, and to the extent that, it obtains entitlement to assessment of the fair value of the goods or services of the total fair value of the contract. There will be ie work performed and in such circumstances it would ; recognised at the balance sheet date based on the son with total expenditure. In the case of services, it a proportion of the total time to be spent to fulfil the estimate of a charity's performance and therefore :harity, does not, in itself, justify the recognition of

ised grant or donation is evidence of entitlement. formally expressed in writing. Where entitlement is l, such promises should be recognised as incoming

durability are met.

with conditions attached that must be fulfilled before (ol) of the resources. Meeting such conditions may be reliant on external factors outside its control. Where 's control and there is sufficient evidence that the rce should be recognised. Where uncertainty exists as itions within its control, the incoming resource should il certainty exists that the conditions imposed can be

[Return to SOFA](#)

n a charity obtaining matched funding, or subject to a ditions attaching to such grants would not be either ipient charity. The charity would not therefore have ming resource until these conditions were met. The ould not be recognised until the conditions set have

ounts or certification of expenditure can be seen as sed to a condition that might prevent the recognition

to donor imposed conditions that specify the time an take place. Such a pre-condition for use limits the ie time condition is met. For example, the receipt in take place in a future accounting period should be sed as a liability until the accounting period in which to expend the resource.

vents the recognition of an incoming resource, a i probable (but not virtually certain) that the condition i 348)

resources when they are receivable. Recognition of a ould not be deferred (Glossary GL 15) even if the diture on the activity funded by the grant or donation. ie resource with the timing of the expenditure being ing resources cannot be deferred simply because the ilarly, a condition that allows for the recovery by the not prevent recognition. A liability for any repayment le.

specifically to provide a fixed asset or a fixed asset is lly have entitlement to the incoming resources when e incoming resources should be recognised in the ferred over the life of the asset. As explained in epay the incoming resources does not affect their ed, the use of the asset will either be restricted or s unrestricted the trustees may consider creating a ie asset. The relevant fund will then be reduced over ith its depreciation. This treatment accords with the the recognition of assets and liabilities and provides r charities (see Appendix 2: SSAP4).

to the charity, for instance where it receives the acting as agents (and not as custodian trustees), are party and have no responsibility for their ultimate tion is legally a transfer of resources from the original fied third party. If the original payer retains the legal tion of the funds, the intermediary charity should not ancial Activities or the balance sheet (see paragraph

harity may control the use of resources prior to their ll act as principal and have responsibility for their r trustees of the intermediary charity may have applied ect how the grant should be used by the third party or olving intermediary charities may need their trustees r of the grant to the third party (and for its charitable

y). In all of these circumstances the resources should
Statement of Financial Activities and balance sheet

sources and resources held for third parties in the
P 114 and 115

S
a restricted purpose does not affect the basis of its
al Activities. There is an important difference for
ed on the purposes for which a particular resource [Return to SOFA](#)
filled prior to entitlement or use by the charity. The
recognition of the incoming resource as the charity
is simply limited by the restriction as to the purposes

of providing fixed assets should be accounted for
it of the fixed assets provided with those funds will
e terms on which the funds were received may either
a restricted fund or the fixed assets' acquisition may
held in the unrestricted funds (see also paragraph
tment will depend upon the circumstance of each
are re-allocated from one fund to another, this should
funds.

y for a recipient of a grant when the roles are

conditions that closely specify a particular service to
ie terms of such grants may be set out in a service
ent are linked to the performance of a particular level
nple, number of meals provided or the opening hours
ich cases, the grant maker will have negotiated the
es. Expenditure on such performance-related grants
irces expended to the extent that the recipient of the
ls.
rticular purpose of the recipient does not create a
o includes specific performance terms that meet the

icted grants may fund a programme of work to be
ipient. Again, this does not mean it should necessarily
ant simply because of the period of the funding
l in monitoring or influencing the focus of the work as

fund a three year research programme enabling the
entified by the recipient as necessary to meet its own
dge on a topic. In order to provide funding, the work
legal objects of the grantmaker which may also, as
nvolved in monitoring or influencing the focus of the
performance-related grant (see Glossary GL 45) if the
d service to the grantmaker or its beneficiaries as a
ormance conditions that are directed at enabling the
or increasing the pool of knowledge in an area of work
constructive obligation arises to make the grant payment

[Return to SOFA](#)

[Return to SOFA](#)

ns
nance-related grants) and certain other expenditure
exchange for consideration does not arise. Such
objects but without creating a contractual or quasi-
he grant or the charity's beneficiaries. Nevertheless,
_ 40) which needs to be recognised.
or a legal obligation (Glossary GL 10). A constructive
ave created a valid expectation in other parties that
nce that a valid expectation has been created might
st practice in discharging such obligations and the
recipient. A constructive obligation always involves a
mmunicated to those affected in a sufficiently specific
irt of the recipient that the charity will discharge its
ves a commitment to another party, it follows that a
ot give rise to a constructive obligation at the balance
mmunicated before the balance sheet date to those
ise a valid expectation in them that the charity will

[Return to detailed SOFA](#)

l or policy statements of their future intentions, for
nine in a particular location or to improve the quality
. Such statements can be communicated in a variety
ut future plans in a Trustees' Annual Report or simply
ments such as these do not create a constructive
arity as to their implementation. A term in a grant
/ from a future obligation in the event of lack of funds
y prevent the recognition of a liability by the donor
nised when an event requires the funding offer to be

here:
e goods, services or grant funding is given, and
y or grant recipient.
y to have a realistic alternative but to meet the
sulting liability will be dependent on any conditions

ich are dependent upon explicit conditions being met
nent is made or upon future reviews. A liability, and
such conditions fall outside the control of the giving
control of giving charity, then the charity retains the
e a liability should not be recognised.
es a specific commitment to grant fund a project over
y arise:

s that determines whether future funding is

[Return to detailed SOFA](#)

Terminate the grant:

to terminate the grant;
 (new practice) that the discretion retained by the
 condition and an immediate liability arises only for the first
 review process, although set out in the conditions of
 whether funding is provided in the subsequent years
 on should not be interpreted as a condition and a
 liability should be recognised.
 that enables the charity to realistically avoid the
 liability of the funding should be recognised.
 that are outside the control of the giving charity. For
 example, on the condition that the recipient finds matching
 funding, control of the giving charity, a liability arises and

conditions have not been met, such a commitment
 creates a liability. The balance sheet treatment for both
 types is given in paragraphs 340 to 348.
 of the charity's income funds to represent contingent
 liabilities may not have created a liability.
 If a liability is no longer appropriate, the liability should
 be transferred to an expenditure heading in the Statement of Financial
 Activities originally used to recognise the expenditure for the

support costs (Glossary GL 54) incurred that, whilst
 they do not produce or constitute the output of the charitable
 activities, they support income generation activities such as [Return to detailed SOFA](#)
 of the charity. Support costs include the central or
 management, payroll administration, budgeting and
 resources, and financing.
 constitute an activity, instead they enable output-creating
 activities and are therefore allocated to the relevant activity cost
 categories in paragraphs 168 to 174. This enables the total cost of
 the Statement of Financial Activities and for the cost of the
 service, programme or project level within the notes to
 be of user interest in both the level of support costs
 allocated to the relevant activity cost categories that
 are disclosed.

see the 'Analysis of support costs' note in the note

should be adopted but a charity should also consider the

nd be adopted but a charity should also consider the
st benefit advantages of the approach in that greater
at a high incremental cost.

ries, the following principles should be applied:

llocated directly to an activity cost category.

[Return to detailed SOFA](#)

ectly to the output of more than one activity cost

ember whose time is divided between a fundraising

ould be apportioned on a reasonable, justifiable and

[Return to detailed SOFA](#)

osses on disposal of fixed assets should be attributed

gle activity but rather provide the organisational

tivities to take place. Such costs should therefore

e and consistent basis to the activity cost categories

ment that may be applied. Examples include:

incurred directly in undertaking an activity;

loyed within an activity;

ivity.

re multi-activity).

i charity should be appropriate to the cost concerned

nd selected to enable its accounts to give a true and

ent will normally be consistent between accounting

ides information about its activities in the context of a

is, objectives and projects of a charity is frequently

collections and telephone fundraising. In determining

efore a need to apportion costs, a distinction should

ising the profile of a charity which is associated with [Return to detailed SOFA](#)

an educational manner in furtherance of the charity's

publicity or information to be regarded as charitable

ational manner. To achieve an educational purpose,

use the information to further the charity's objectives;

can act upon in an informed manner to further the

activities undertaken by the charity

a fundraising activity does not meet these criteria, it

monors and therefore relating wholly to the fundraising

[Return to detailed SOFA](#)

it targeted high-risk beneficiary groups or the medical

risks or symptom recognition and advising on steps

all within charitable expenditure in that it is targeted

aken and is likely to link to the charity's activities or

in such information is provided in the context of a

with costs apportioned between the fundraising and

note

tion or summaries in a format different from the

aries are often included in a non-statutory annual
iation or impairment of fixed assets - whether held for
es - will form part of the particular fund in which the
was held at the time of disposal, revaluation or

l as follows:

charity's own use (ie not investments) should be
ired asset and included appropriately in the resources
Activities;

he charity's own use should be included under the
disposal should be treated as additional depreciation
ended section of the Statement of Financial Activities;

sidered to be impairment losses (see paragraphs 267
should be included in the section on gains and losses
own use.'

[Return to detailed SOFA](#)

been prepared, it is not practicable to give detailed
ary financial information or summarised financial
l be followed are set out below.
is for smaller charities. Some of these have been

ommission encourage full disclosure.

Smaller Charities

ions for smaller charities that are **not subject to a**
sholds). The concessions cover the Statement of

vities, smaller charities do not need to analyse either
activity categories within the Statement of Financial
e classifications to suit their circumstances. **(This**
using a standard template and users would have
is)

[Return to detailed SOFA](#)

tive approach to analysis within the Statement of
y no longer be necessary, for example, where these
in activity category or where relevant information is
cial Activities . The disclosure paragraphs affected by

when the templates have been modified to
scribed above)

Paragraph References in the SORP

	122
activities	146
	166 - 167
	175 - 176
ome	183 - 184
	186
	191 - 194
osts by activity	202, 203(b)
	212

her the alternative approach is adopted or not

ails of staff emoluments in bands (paragraph 236).

uce the detail of reporting requirements placed on
ing to follow the full recommendations of the SORP is

create undue problems for smaller charities, and
 e taken up by many such charities is the staff

Charities are required to produce a Trustees' Annual
 ct 1993 provide for charities that **are not subject to**
 thresholds) to produce an abbreviated Trustees' Annual
 required to produce the report, and includes charitable

and Trustees' Annual Report is summarised in table 11

ment is not greatly different from the standard
 of little significance. In the template we have
 on the trustee report

Report for a smaller charity

audit)

Paragraph

known 41(a)
 arity Number) (if any) 41(a)
) 41(b)
 ; 41(b)
) for the charity on 41(c)
 charity trustee is a body
 dy corporate should 41(d)
 i charity trustee 41(e)
 the charity is 44(a)
 ppointment of new trustees, 44(b)
 ut in its 47(a)
 elation to 47(e)
 arity during the year (54)
 55(a)
 and the circumstances
 o eliminate the deficit. 55(b)
 is capacity.

s) on whose
falls within their own objects.

d segregation of such assets

present a true and fair view of the state of financial
ng charity including its subsidiary undertakings. The
vered by FRS 2. These principles should be applied
and its subsidiaries are companies or otherwise

unts prepared in addition to those prepared for the
he subsidiary undertakings in its own right.

uld prepare consolidated accounts including all its
t where:

ubsidiary undertakings from consolidation (see

ments, (Glossary GL 31) of the group in the
l for a statutory charity audit (see Appendix 4); or
are not material to the group; or
rtue of being a special trust or a charity subject to a
rities Act 1993, has had its accounts aggregated with

from consolidation in certain limited circumstances
ally hinder the exercise of the parent undertaking's
or management or subsidiary held only for sale). It is
ly to a charitable group.

or a variety of purposes including undertaking non-
nd carrying out charitable activities. The difference
is not sufficient of itself to justify non-consolidation.
registered company which is insolvent and is being
be excluded from consolidation.

. will be included in the aggregated accounts of the
icted funds or endowment funds of the charity (see
arity may control another charitable entity that does
example, because the objects of the subsidiary are
he tests for control (the parent's ability to direct and
uld be consolidated. Benefit to a parent charity may
by the charitable subsidiary to its own beneficiaries
charity or in terms of cash flow to the parent charity.
s are substantially different from the parent charity,
)

arrower than its parent will need to be accounted for
ns in the consolidated accounts.

iking meets the Control test

oy the measure of control (Glossary GL 44) exercised
ontrol can be determined in the context of:
wnership) and/or
ies of the subsidiary.
ies Act 1985 which should be followed by those

[Return to notes](#)

ies Act 1905 which should be followed by those

id subsidiary undertaking may arise where the parent such a way that all the risks and rewards of the g. An example is when the ownership of the assets is clusive use of those assets and meeting the costs of rded as quasi-subidiaries and should be accounted

ie regarded as a subsidiary undertaking where the ctually exercises, dominant influence or control over managed on a unified basis. Control can arise in any

or employees of the parent charity are, or have the arity trustees of the subsidiary charity; or charity reserves to the parent charity's trustees and/or ent to, the exercise of significant discretion by the

rity as a subsidiary is that the connection between it ng and financial policies of the former are likely to be ter. This is likely to be the case where one of the aph exists, but trustees may, in a particular case, be

tially or exclusively confined to the benefit of another lar consideration. For example, friends' groups, on port to an established charity whilst retaining legal pport. In such cases the formal powers identified in nfluence may arise less formally. For example, the nature or timing of the support it wants to achieve. on a critical matter. Where evidence exists of such for consolidation should be regarded as being met.

method of consolidation, which should be carried out

ources expended should be shown gross after the s desirable that similar items are treated in the same ctivities to generate funds in the charity should be ry, and charitable activities within the charity should bsidiary. Similarly, costs of generating funds and/or ggregated with those of the charity.

tegrity headings within the permissible format of the malgamations of activities. The headings used should it is not possible to exactly match items between the [Return to notes](#) segmental information should be provided so that the / undertaking are transparent (see paragraph 405).

n (England and Wales)

repared under accounting standards, in England and vidual charity's accounts to be filed with the Charity here the group and parent charity's accounts are its, as well as two balance sheets there should be two roup and one for the parent).

filed with the Commission omitting the Statement of Commission is prepared to accept these accounts as a parent charity are clearly disclosed in the notes. The alance sheet of the parent charity. The Commission filing of any individual charity Statement of Financial have a legal right to request this statement. **(Note le from Peter Brown and Co at an additional fee ad)**

the Trustees' Annual Report concerning the activities of subsidiary undertakings (see paragraph 53). **This**

red, the policy notes should state the method of identifying entities are included and excluded from the **consolidation template**

the narrative section relating to subsidiaries in

ating requirements in consolidated accounts where a arrangement.

is, joint ventures and joint arrangements and provides a relationship between the entities involved. Where these are subject to the exemptions in paragraph 383. A charity having a controlling interest in another undertaking and exercises financial policy then this is likely to be an associate if it holds 20% or more of the voting rights in any undertaking, or exerts and significant influence over its operating and

immediate related investments may on occasions combine and on occasions may be invited by the recipient trustee with particular skills or expertise. Where the body, this might be construed as creating an associate. [Return to notes](#) A trustee appointment is used in conjunction with a formal or influence through direct involvement in setting the policies. Where the charity trustee appointment is simply a recipient charity whilst allowing the charity to adopt its relationship is unlikely to be created.

A charity is jointly controlled by two or more undertakings, or a joint venture, so that no single investing undertaking can do so. It is possible for a charity to beneficially hold an undertaking but for the management arrangements to be shared with other partners and hence the undertaking is a joint

arrangements where they may carry out activities in establishing a separate legal entity.

Joint Ventures and Joint Arrangements

are based on the net equity method. The consolidated statement of the net interest in the results for the year in the statement of incoming resources/(resources expended) before

incoming resources/(resources expended) before interest in associates should be shown as a separate charity's rights to the associate's assets are severely dividend distribution) then this should be reflected in

[Return to notes](#)

in a gross equity method. This method requires the incoming resources of joint ventures on the face of the Statement of Financial Activities in charities). However, this method must be clearly distinguished. For charities receiving resources from joint ventures in the Statement of Financial Activities an additional row showing the total share of gross income in total incoming resources. In addition a row for the joint ventures as a separate row after the "other" row must be included (this may be combined with the share of the gross assets and the gross liabilities fixed assets investments.

[return to notes](#)

movements and unrealised gains on other fixed assets, the charity should show on a separate row, with the gross share relating to the row or combined with the appropriate lines on the

charity's gross share of the incoming resources and liabilities should be included in the accounts in the same way. If under the arrangement the charity is jointly and severally liable for the part of the obligation for which it is responsible then the liability should be met by the other parties as a contingent liability.

the narrative section relating to associates in the Statement of Financial Activities

Charities should follow the SORP with respect to charitable companies. In following the SORP charities should meet most of the reporting requirements under the Companies Act 1985 and reproduce these requirements in full and a charity should not then consider the application of the Companies Act 1985. Charities should follow the SORP and the other special sections as applicable, but the requirements must be met by charitable companies. Ways of meeting the requirements are suggested below, but these too should be considered in the context of the charity's circumstances.

Charities should follow the Companies Act 1985 with respect to the form and content of the annual (directors') report. In following the SORP charitable companies have to prepare both that report, and the annual financial statements, under the Companies Act 1985, but the Charity Commission filing under Part VI if it also contains the information required by the Companies Act (unlike non company charities) do not have an annual report from the Annual Report.

[return to notes](#)

Charities should prepare annual financial statements which give a true and fair view of the state of affairs of the charity at the end of the year and of its profit and loss for that year. Section 40 of Schedule 4 to this Act requires the directors to prepare a balance sheet and profit and loss account in any case where the charity's business requires such adaptation.

For the Companies Act 1985 must include an income statement. The Statement of Financial Activities is for a charity which would be found in both the income and expenditure account and the Statement of Financial Activities. It is therefore not necessarily required. Circumstances where the income and expenditure account cannot be used for the Statement of Financial Activities and there are items which may be included in the income and expenditure account, such as:

ring the year; and
the year.

wed in the income and expenditure account, most of all Activities below the point at which a conventional is explained in paragraph 424. Furthermore - where tion of investments (as explained in paragraph 219) all the revaluation movements will be classified as

if a charitable company does not include any of the above, it should produce a separate summary income and expenditure account. Financial Activities should be changed so that:

- an income and expenditure account and statement of financial position

income/(expenditure) for the year" which replaces or outgoing) resources for the year".

Realised gains and losses are included in the Statement of Financial Performance within the headings for (a) and (b). Particular attention may need to be given to impairment losses, with the guidance in FRS 11, are realised in some

If an account is required, it should be derived from and included in the Statement of Financial Activities. It need not be derived from income funds but the accounting basis on which it is derived should be shown in the Statement of Financial Activities. It should show the following:

assets belonging to the charity's income funds;
 previously received as capital resources and now

...financing resources - other than revaluation gains - of all funds);

funds;

practice, the format may need to be modified to comply with the charity's own governing document.

Summary income and expenditure account and which
a summary income and expenditure account for the

n and Statements

stinguish between the two different types of

ny kind is prepared (including financial information
id annual reviews), charity trustees are reminded that
ate. This is dealt with in paragraphs 371 to 379.

commendations in paragraphs 371 to 379 but their
nclude a statement indicating whether or not the
been delivered to the Registrar of Companies.

tion or summaries in a format different from the
naries are often included in a non-statutory annual
o basic types of such summaries:
ould be based on the full financial statements and
ut providing the greater detail required in the full
s to the accounts).
ents information on a particular aspect of a charity's
resources or expenditure on particular activities of a
mmarise the full statutory accounts.
cial statements and summary information is set out in

Summary financial information
Draws information from only parts of the accounts.
May be based interim accounts or other financial
information as well as statutory accounts.
Makes no reference to either of these primary statements.

Represents analysis eg. of a particular activity or region.

companies, the provisions of section 252 of the summarised financial statements do not apply. However, the Act 1985 relating to the publication of non-statutory provisions set out below in relation to summarised statutory provisions applying to companies. There are

summaries will be produced will vary considerably, if they have been prepared, it is not practicable to give detailed summary financial information or summarised financial

lowed are set out below.

any summary financial information or summarised accounts must always be produced.

Statement of Financial Activities and the balance sheet, the accounts and the balance sheet, or inappropriate amalgamation of information.

must necessarily contain information on both the Statement of Financial Activities and the balance sheet, but should nevertheless present information consistent with the accounts and the balance sheet, by either omission or inappropriate amalgamation of

must be accompanied by a statement, signed on behalf of

but a summary of information relating to both the Statement of Financial Activities and the balance sheet;

whether the summarised financial statements are derived from an audit, independent examination, or reporting

and, whether the report contained any concerns such as

if the charity is qualified, contains an explanatory paragraph or paragraph provided in the summarised financial statements to explain the reasons for the findings of the report;

if the summarised financial statements are for the branch only and have been prepared by the charity (giving its name);

the external scrutiny report (as applicable) and the

external scrutiny report approved; and

the external scrutiny report, say whether or not the Trustees' Annual Report and Accounts are consistent with the external scrutiny report.

When the summarised financial statements are scrutinised, a statement from the external scrutineer, stating that the summarised financial statements are consistent with the

external scrutiny report, in whatever form, should be accompanied by a

Statement of Financial

Activities and the balance sheet, if audited, independently examined or subject to a

trustees' report and external scrutiny report (as

benefit schemes: defined contribution schemes and appear in the glossary (GL 16 & GL 17). Details of how

defined benefit scheme, where the contributions are , or where the charity is unable to identify its share of isistent or reasonable basis, should account for its ed contribution scheme. Where a charity is unable to l liabilities of the scheme, the disclosures set out in

eme recognised in the accounts is equal to the accounting period. These pension costs should be ed categories of the Statement of Financial Activities in relation to such schemes are set out in paragraph

ffects charities that operate defined benefit schemes n a defined benefit scheme is the excess/shortfall of elow the present value of the scheme liabilities. In

that the employer charity is able to recover a surplus re or through refunds from the scheme.

it that it reflects its legal or constructive obligation of also be adopted in relation to the provision of death- ot wholly insured, and provided through a defined

fit scheme should be undertaken by an independent, three years and updated annually at the charity's .

eme normally gives rise to an asset or liability within : reporting charity will normally be the employer and covered either in the form of reduced contributions or ibility arises through a legal or constructive obligation / rest with the main charity's unrestricted funds.

Gains

or liability (other than that arising from contributions or deficit in the scheme) should be analysed into the se will only be recognised through the Statement of FRS 17. (See Appendix 2 for FRS 17 implementation

ie resources expended categories of the Statement of own computations. The basis of the allocation should ension costs based on the staff costs of employees other approaches (eg allocation based on pension equitable allocation. Allocation of the components

vice costs and gains, and losses on settlements and

vice costs and gains, and losses on settlements and
 iate resources expended categories set out in

n the net of the interest costs and expected return on
 resources expended categories set out in paragraph
 ould be recognised as an incoming resource and

on settlements or curtailment, are material in the
 e) category in which they are recognised, the
 accordance with FRS 3 – Reporting Financial

e recognised within the “gains and losses” categories
 the heading “actuarial gains and losses on defined

cruing to a restricted fund only where it can be
 asset will accrue to a particular fund through reduced
 liability should be allocated to a particular fund only
 liability arises to fund the deficit and could properly be
 may arise where staff are specifically engaged on a
 e. This allocation may be undertaken on the basis of
 the provider of a particular restricted fund may be
 rich any pension asset or liability is allocated to that
 be properly charged through it.

e to a restricted fund should be reviewed on an annual
 rticular project indicate that the economic benefits or
 lar fund then the asset or liability should be allocated
 nsfer of funds through the Statement of Financial

pension asset or liability within restricted funds are
 ognised within the restricted funds column of the
 ents of the pension cost should be recognised within
 ategories and on the same basis as set out in the

iff costs without the criteria for the recognition of a
 d fund's balance sheet being met. For example, a
 re or staff may be frequently transferred between
 rich will ultimately recover any surplus or meet future
 h circumstances, the restricted funds column of the
 recharged with an appropriate portion of the current
 ting to the staff engaged in activities within restricted
 Financial Activities would, as with any recharge, also
 tween fund balances. The balance sheet of the
 recognise the overall pension asset or liability.
 ses on curtailments and settlements arise, such costs
 hen a charity can demonstrate the costs relate to
 tricted funds.

cheme contributions are given in FRS17. This section
 erated by a charity, the notes to the accounts should

ntributions at the year end.
 d benefit pension schemes are detailed and charities
 ompleting their disclosure notes. The notes to the
 on:

uation.

period and any agreed contribution rates for future
 e beginning of the period and at the balance sheet
 between equities, bonds and other assets and their

nd the resulting surplus or deficit compared with the

component parts of the defined benefit costs charged
 activities;

if it scheme has established that the employer's share
 identified on a consistent and reasonable basis (eg by
 s or actuaries) this fact should be disclosed. Any
 e surplus or deficit in the scheme and the implications
 charity should be disclosed together with a brief
 rise to this position.

if it scheme discloses a material pension liability, the
 rt in the explanation of the policy on reserves) should
 t impact, if any, on resources available for general
 balance on unrestricted funds, the note should also
 ed fund of the charity to contribute to any resource

e notes to the accounts (or Trustees' Annual Report)
 n the nature of the economic benefit derived from the
 which any benefit in terms of reduced contributions

External resources
[External resources page](#)

Contents of the accounts production file

[Model worksheets in this template](#)

[External resources page](#)

[Self-assessment entry](#)

[List of accounts](#)

[Page of accounts](#)

[Report](#)

[Joint Examiner's Report](#)

[List of Financial Activities & I&E accounts](#)

[Statement](#)

[List of accounts](#)

[Schedule to the SOFA](#)

[Analyses per the SORP](#)

[Notes and explanations](#)

[Checklist](#)

[Comments to templates](#)

[Requirements for cash flow](#)

[Requirements for accounts](#)

[Joint Examination directions 2008](#)

[and - see OSCAR guidance](#)

small companies.

nal resources

er to comply with the provisions of the SORP
e notes.

Incorporated charity - Exempt from external scrutiny

Client
Code

HAWA

0

Schedule prepared by
Reviewed by

Incorporated charity - Exempt from external scrutiny

Initial check to establish that exemption from scrutiny is the

Note that the rules are slightly different for unincorporated charities (Company) charities can NEVER prepare Receipts and Payments

Establish the gross income. If only a part of a year is involved for any period then gr

Remember that gross income is not the same as turnover, and can include capital gains normally included in turnover, including the value of goods and services in kind. Charities Act

Unlike audits, the income is not 'pro rata' for a period of less than a year.

Throughout the UK, the accounts are subject to a statutory audit if gross income exceeds before deducting any liabilities exceed **£3.26 million**. (But see exemption England accounts must be prepared on an accruals basis.

Scotland

There is no exemption from examination in Scotland

England & Wales

In England & Wales, even if total gross assets before deducting any liabilities income is less than **£250,000**, then no audit is required.

In England & Wales, all accounts with income over **£250,000** must be examined holding specified qualifications.

Exemption from external scrutiny for charities in England & Wales

For accounting periods ending on or after 1st April 2009 -income equal to or less than

Northern Ireland

The legislation has been enacted, but is not yet implemented.

Also consider if an audit is required because the charity is a part of a company. Look at the detailed provisions to determine whether or not an audit is required. These provisions can be complex and reference to the legislation

required. These provisions can be complex and reference to the legislative group income, excluding intercompany transactions, exceeds **£500,000**, and an audit is required.

Having established the eligibility for exemption from external s then consider whether

- a) an audit is required by a funder or a conditions of a grant or donation
- b) an audit is required by the governing document of the charity
- c) an audit is required under some other statutory or regulatory regime
- d) the charity is a part of a group. If so different income levels will ap determine whether or not an audit of the charity and/ or the group is req and reference to the legislation may be required

If all the answer to all these questions is no, then an exemption from exterr

Disclosure exemptions for independent examinations

Certain disclosures are compulsory for statutory audits, but there are e audits (which includes independent examinations). The exemptions are hig areas the SORP does emphasise that full disclosure is encouraged.

Links to sections of the checklist

It is recommended that the first step is a review of the introduction in the case of smaller charities, then work through sections A to H

[Introduction to checklist](#)

[A Trustees' Report](#)

[B General Areas](#)

[C SOFA](#)

[D Balance Sheet](#)

[E Notes to the Accounts \(including accounting policies\)](#)

[F Cash Flow statement](#)

[G Subsidiaries and consolidation](#)

[H Associates and joint ventures](#)

[I Small charity exemptions from disclosure](#)

Introduction

Checklist of disclosures under the Charity SORP 2005 (Revised 200

[See disclaimer & terms](#)

***This checklist is only for the purposes of charity disclosure.
For charities who are also limited companies the appropriate
company checklist should also be used, and the SORP should be re***

*In the application column 'AA' indicates disclosure is mandatory for all chari
Where 'AA' is not shown ,disclosure is only required when relevant*

Before conducting this disclosure checklist all relevant Accounting and Auditing standards should be reviewed

In addition review the 'Practice Note on the Audit of Charities in the United Kingdom (revised) published by the APB in April 2002 which includes matters relating to independent examinations

Hint

A useful technique for reviewing the SORP and finding anything relevant on the internet and use the the find facility to seek for key words. This file [Click for full text of 2005 SORP](#)

*Where an indication is shown that VT accommodates a particular disclosure be taken to indicate that there is the facility for the disclosure within VT or the SORP. **This checklist is designed to be worked through in conjunction with the SORP. For smaller charities the exemptions available should be reviewed in detail.** A VT indicator simply means the disclosure can be accommodated - not that it must be. The accounts should be checked to see that the disclosure has been identified. Where a disclosure is not accommodated by VT a manual note or amendment should be made. **Note that in the case of endowment funds this checklist may not cover all disclosures which should be reviewed in detail.***

Checklist prepared by

[Click for full text of 2005 SORP](#)

Note that the SORP should be referred to for the limited exemption Where narrative rather than numbers is required careful reference

Introduction to SORP checklist

[Click for full text of SORP](#)

Before conducting this disclosure checklist all relevant Accounting and Auditing standards should be reviewed

In addition review the 'Practice Note on the Audit of Charities in the United Kingdom (revised) published by the APB which includes matters relating to independent examinations and to the contents of auditors and accountant's reports

A Trustee's Report

[Click for full text of SORP](#)

[Return to lead schedule](#)

Report must be prepared, with notes and accounts

Registered name of charity

Other names by which charity is known

Nature of governing document

Charity number

Company number if relevant

The address of the principal office (or registered office if a co)

The names of all trustees (or at least 50 including officers)
on the date the report was approved

See requirements if a trustee is a body corporate

Names of all persons who served as trustees during the
financial year

Note this is different to the requirements of 41(d)

The name of the Chief Executive or other senior staff
member(s) to whom day to day management is delegated

If the charity is a company,the names of current directors

The names of bankers,solicitors,auditors,examiners,investment
reporting accountants and other professional advisors

The method of appointment or election of trustees

The name of any person or body entitled to appoint trustees

The policies and procedures adopted for the induction and training
of trustees

Description of organisational structure and decision making

Where the charity is a part of a wider network then the
relationship and its impact must be disclosed

Statement of relationships with other charities & organisations
including subsidiaries and charities and other organisations with which
it cooperates

Statement of relationships with related parties

A statement of major risks and systems in place to mitigate

Explanation of charity's object by reference to governing document

The charity's aims and the difference it seeks to make through its
activities

An explanation of the main objectives for the year

An explanation of the strategies for achieving the objectives

Details of significant activities including programmes, projects and services that contribute to the achievement of objectives

Grant making policy

Where material social or programme investment activities are undertaken the policies adopted should be explained

Comments on contribution from volunteers

See the SORP for requirements re measurement and valuation

The very detailed requirements of the SORP with regard to assessing and reviewing the achievements of the charity and its performance against objectives should be disclosed

A review of charitable activities undertaken explaining performance against objectives set

Comments on performance of fundraising against objectives set where material

Comments on investment performance against objectives set where material

Comments on those factors both within and without the charity's control which are relevant to the achievement of its objectives

A detailed financial review should be disclosed

Policy on reserves. Level of reserves and why held

Where funds are in deficit , an explanation and proposed action
This should also be in the notes to accounts

Plans for future periods including key aims and objectives

Where funds held as custodian trustees disclose both as a note to the accounts and in the trustees' report :-

- a) A description of the assets involved
- b) The objects of the charity for whom the assets are held and how this activity falls within the charity's own objects
- c) Details of safe custody and segregation arrangements

Comment on the activities and performance of the charity's subsidiaries

Public benefit statement

Report formally approved before signature by the board of trustees

Date of approval shown

Statement of facts disclosed to auditor
Mandatory for statutory audits where accounting period commencing on or after 01/04/05

Comparatives where relevant

B General areas

[Click for full text c](#)

[Return to lead schedule](#)

Do accounts comply with accounting standards and embrace fundamental accounting concepts

Is proper fund accounting adopted and fully disclosed

Duration of accounting period properly disclosed

Is FRS3 relevant with regard to discontinued operations

The template will need to be manually amended to cope with this

Category headings may be omitted throughout the accounts when they are nil for both the current and the prior period, except where a nil disclosure is required by specific sections of the SORP

Are realised/unrealised gains and losses kept within the fund to which they relate

Are the movements on each fund reconciled to the opening and closing balances on each fund and disclose the detail required by the SORP

Are branch to branch transactions netted off and are branches properly accounted for in accordance with the SORP

Are fixed assets purchased with a grant and subject to restrictions on sale or use included in a restricted fixed asset fund

Are other fixed assets purchased with a grant included in a unrestricted fixed asset fund

logical consequences

C Statement of Financial Activities

[Return to lead schedule](#)

[Click for full text c](#)

Does the layout follow the prescribed structure adapted for the circumstances (Table 3)

Distinguish between types of funds

Are the rules on income recognition followed

For deferred incoming resources give reasons for deferral and give the analysis required by the SORP

Where resources have been held for third parties give the details required by the SORP

Are incoming resources analysed by activity as in Table 3 of SORP

Do the accounting policies show the basis of any apportionments

Comparative figures

If no entries for both the current and prior year under any category the category may be omitted

Where material details of the types of activities to generate voluntary income should be disclosed in the SOFA or the notes

Restrictions dealt with in accordance with SORP

Material components of donations legacies and similar incoming resources to be shown on SOFA or in notes

Legacies only included in accordance with SORP

Gifts in kind treated in accordance with SORP

Basis of valuation of gifts in kind disclosed and adj on sale

Information re undistributed gifts in kind

Donated goods and services (eg seconded staff,donated facilities etc) grossed up , valued and treated as incoming resources

and disclosed as required by the SORP

Incoming resources from activities for generating funds
dealt with in accordance with SORP

Investment income dealt with in accordance with SORP

Incoming resources from charitable activities
dealt with in accordance with SORP and disclosed
with the detail required

Gains on disposals of assets included in incoming resources

Analysis of costs of incoming resource activities linked to the relevant
incoming resources generated (may be given in notes)

Support costs analysed in detail as required by the SORP

Depreciation etc on charitable assets included in
the appropriate fund and activity headings

Gains on disposals treated as incoming resources, losses
treated as depreciation in resources expended

Accounting policies disclose the apportionments of costs between
activities and the details of any estimation techniques
and the basis of multi purpose activity analysis

Are the resources expended analysed as required

Where material, are the costs of generating voluntary income analysed
by activity

Where material , are the costs of fundraising analysed by activity

Charitable expenditure analysed and disclosed in accordance
with SORP, including analysis by activity and analysis of support costs

Grants payable analysed and disclosed in accordance
with SORP, including analysis by activity

Analysis of grants by individuals and institutions and by activity
analysis and explanation - may be given in notes
The disclosure requirements are details and should be worked through
by reference to the SORP

Governance costs should be analysed by nature, and should be
fully explained

The nature and purpose of material transfers between funds should be explained

Other recognised gains and losses should be disclosed as set out in the SOFA and allocated to the section of the SOFA reserved for them

Impairment loss on non investment assets included in depreciation

By default the profit/loss is shown by VT in other incoming resources. When a loss occurs a manual adjustment to the TB/schedules will be necessary to include the loss within the depreciation costs. This is achieved by increasing the depreciation and reducing the written value of the asset so there is a notional nil gain

Non impairment gains and losses on revaluation of non investment assets should be included in the section of the SOFA reserved for them

Gains on non investment assets to be included in other incoming resources

Gains and losses on fixed assets to be treated in accordance with the SORP

Losses on non investment assets to be included as additional depreciation

Gains and losses on investment asset to be disclosed and accounted for in accordance with the SORP

D Balance Sheet

[Click for full text of the template](#)

[Return to lead schedule](#)

The majority of the disclosure requirements are dealt with in the notes. If the template is adopted, there should be compliance with the disclosure requirements. The detail has been correctly computed by the user, and the template is correct.

Does the layout follow the prescribed structure adapted for the circumstances (Table 7)

Comparative figures where relevant

Intangible assets to be disclosed in accordance with FRS10

Tangible fixed assets to be disclosed in accordance with FRS15

Heritage assets to be disclosed separately

Investment assets to be disclosed separately

Programme related investment assets to be disclosed separately

Current assets analysed between stocks and wip, debtors, investments, cash at bank and on hand with subtotal for this group.

Creditors falling due within one year .

A subtotal for net current assets

Total assets less current liabilities

Creditors falling due after one year

Long term debtors if material should be shown separately otherwise show in the notes

(VT does not accommodate this item if it is to be shown in the balance sheet)

Provisions for liabilities and charges

Total net assets

If no entries for both the current and prior year under any category the category may be omitted

For the following special situations refer to the SORP

Defined benefit pension scheme asset/liability

Revaluation reserve

Pension reserve

Positive and negative balances on funds not to be netted off

If a fixed asset is acquired in whole or part by a grant to be shown at full acquisition cost not after netting off . This may be a departure from SSAP 4 in relation to government grants but this is deemed to be the best interpretation of SSAP4 - see appendix to SORP 2.5

When fixed assets have been donated they must be included at the value of the gift shown in the SOFA as a donation

Analyse funds between unrestricted, restricted and endowment

See manual for treatment of endowment funds

E Notes to the accounts

[Return to lead schedule](#)

[Click for full text c](#)

Comparatives where relevant

Accounting policies

Accounting policies should comply with FRS18

Accounting policy for the basis of preparation of accounts ie in compliance with the SORP accounting standards,FRSSE (if appropriate) Charities Act or Companies Act, historic cost basis except for.....

Accounting policy for departures from SORP or standards giving details required by Para 359

Accounting policy for omission of branches

Accounting policy for incoming resources reviewing all seven categories in Para 362

Accounting policy for liabilities and resources expended reviewing all three categories in Para 363

Accounting policies for the recognition of different classes of costs

Accounting policies for the basis and principles of costs allocation

Accounting policies for capitalisation of fixed assets reviewing all five categories in Para 364

Accounting policies for inclusion of investments reviewing all three categories in Para 365

Accounting policies should show any departure from SSAP 4 in order to comply with appendix 2.5 of the SORP

Accounting policy for depreciation, rates ,method and useful lives

Disclose separately investment assets held for investment return and programme related investments held for charitable activities

Accounting policy for capitalisation of heritage assets and the measurement basis for inclusion in the accounts

Accounting policies for the basis of inclusion of realised and unrealised gains in the SOFA

Accounting policy with regard to the structure of funds, describing the nature of the funds and the policy for the transfer between funds and allocations to designated funds, and also the policy for determining designated funds

Accounting policy note for pension costs and liabilities

Accounting policy note for foreign exchange gains/losses

Accounting policy note for exceptional items

Accounting policy note for finance and operating leases

Accounting policy note for irrecoverable VAT

Accounting policy on the basis of valuation of goods in kind and donated services and facilities

Any assets or liabilities not in balance sheet to be disclosed

Description of the sources of material incoming resources analysing between donors etc

Movement on and reasons for deferred incoming resources

Movements on resources held for third parties

Where notified material legacies have not been provided in the SOFA disclose in notes

Analyse gifts in kind and donated services incoming resources by category (staff, donated facilities etc)

Analysis and headings of incoming resources sufficiently detailed to give reader an understanding of the charity

Analysis of material incoming resources from government and other public bodies, distinguishing between donor and type of incoming resources

The analysis of government and public items was a formal requirement of the 2000 SORP. Although not formally in the 2005 SORP it is still felt to be good practice in view of para 83

In adopting the SORP 2005 and changing to activity based reporting the comparatives will need restating in accordance with FRS18

An accounting policy note to cover this is included in the accounting policy section of the template

If a designated fund has been established an explanation of why

the fund has been established should be given

Where material provisions have been cancelled
ensure it is correctly accounted for

Analyse grants paid between individuals and institutional

Show total number and total value of grants paid for institutional and
individual grants for different charitable purposes

Disclose a sufficient number of institutional grants if more than 50
or all such grants if less than 50, excluding those less than £1000

Disclose name of institution and the number of value of grants given
Analyse between different purposes or the same institution

Analyse grants paid by category of function

Exemption from grants disclosure requires correct procedures

Major items of expenditure on charitable activities should be
analysed in accordance with the analysis of incoming resources

Support costs of grants to be quantified and analysed
by activity

Related party transactions - review SORP

Except for trustees remuneration and expenses only disclose
material transactions with related party
Trustees benefits and payments to trustees are always material
Trustees includes connected parties to trustees

Disclose Name of related party, descriptions of relationship and
interests of the parties, description and amount of transaction
outstanding balances , and provisions for doubtful debts at the
balance sheet date , any amounts written off in year , and any
other relevant factors

Disclose details of trustees' remuneration (always regarded as
material no matter how small) analysed by individual

Disclose pension arrangements for trustees

The legal authority for payments to trustees

Note for above sections that related parties and trustees include
persons connected with them

If no trustee or person connected with them has received any

remuneration that fact must be stated

If expenses have been reimbursed to trustees the aggregate amount the nature of the expenses analysed over headings and the number of trustees involved must be disclosed . This includes payments to third parties on behalf of trustees

If no trustee or person connected with them has received any expenses that fact must be stated

If indemnity insurance has been purchased from charity funds to indemnify the charity or its trustees, employees or agents against neglect or default this fact and the cost of the insurance should be disclosed

This was a formal requirement of the SORP 2000 but is not explicit in the 2005 SORP. However it is felt to be good practice

Review the SORP regarding disclosure of staff costs

Disclose arrangements with third parties and the cost thereof eg seconded staff. independent employees etc

Disclose total staff costs, salaries, wages employer's NI and pension contributions, numbers of full time equivalent staff and analysed according to the manner in which activities are organised

Show number of employees in bands of £10000 from £60000 upwards. Not applicable if no employee over £60000
Note the definition of earnings for this purpose

Pension details for staff over £60000 should show details required by SORP

If there are no employees with emoluments over £60000 this should be stated

The fees payable to the auditor, independent examiner or reporting accountant should be disclosed analysed between the costs of scrutiny (ie audit etc) and other services such as taxation, advice and accountancy

Other non statutory costs of external scrutiny need not be disclosed
eg accountants for limited companies with less than £90,000 turnover

Review the SORP with regard to ex gratia payments

The amount of any ex gratia payment , the none monetary benefit and any other related expenditure, or waiver of rights to which the charity is entitled should be disclosed and the authority under which the ex gratia payment is made should also be disclosed

Changes in resources applied for fixed assets for charity use should be disclosed if expenditure on fixed assets is material analysed between net movement in funds for year, resources (net of disposals) used on fixed and programme related investment assets and the remaining net balance available for future use

Long term debtors if not shown in balance sheet should be analysed

Where material, long term debtors should be shown on the face of the Balance Sheet *This is not supported by the VT template which will need manual alteration*

Fixed asset note to analyse between freehold, leasehold, plant and machinery (including vehicles) fixtures and fittings and equipment and payments on account and assets in the course of construction
This may be varied to meet circumstances

(in VT only three columns are available and a maximum five columns are required under para 203. However, it is unlikely that any charity would have all five categories . It is possible either to manually amend the column headings in VT or to adapt them in line with the final sentence of para 203. Alternatively the fixed asset note could be duplicated with three headings in one note and two in the other or three columns could be adopted combining say plant and fixtures and fittings and then giving the requisite details in narrative)

The fixed asset note should show opening cost or valuation opening depreciation, additions, disposals, revaluations, transfers, impairment , depreciation for year and closing values of cost or valuation and depreciation and other items in Table 8

Difference of cost from market value of fixed assets

Disclose information on heritage assets as required by SORP

If any heritage assets have not been capitalised or valued this should be stated

The amount spent on heritage assets in the year should be disclosed

Where tangible fixed assets have been revalued disclose all the information required by SORP

The methods used in an impairment review to determine net realisable value and value in use should be disclosed , including the details required by para 277 of the SORP

Where investment asset values are not determined by reference to readily available market prices disclose name, qualifications

and position of valuer and how the value was carried out

If market cannot absorb sale, the trustees should summarise the position

All changes in value of investment assets and the opening and closing book values should be shown - see Table 9

Analyse investments by type of investment . There are six categories specified in the SORP each of which is subdivided into UK and non UK assets.

It is unlikely that all 12 categories may arise in real life situations so the VT template provides for the most common situations. Manual amendment may be required in other cases

Details of the structure of the investment portfolio must be given indicating direct and indirect investment in listed securities, specific details of any investments over 5% of the portfolio and any restrictions that apply on the realisation of those assets.

Indicate the value of investments held in each type of fund if not already shown in the overall analysis of assets under para 75(a)

There are specific details required relating to subsidiaries

If material, programme related investments should show similar information to that required for investments

The programme related investments should be analysed between equity, I and other investments and indicate the programme the investments support

Unless alternative analysis is more appropriate, debtors should be analysed over the headings shown in para 314

Investments held as current assets should disclose the same details as fixed asset investments

Unless alternative analysis is more appropriate, creditors due within one year should be analysed over the headings shown in para318 Although not required by the SORP , it is usual to disclose VAT and PAYE & NI liabilities as a separate item although these can be combined. Good practice suggests that pension contributions unpaid should be separated out This will enable the figure to be reconciled to the pension disclosure note

Unless alternative analysis is more appropriate, creditors due after one year should be analysed over the headings shown in para318

Where the charity acts as intermediate agent or as a principal the requirements of paras 3188 and 319 should be reviewed

The treatment of commitments should be reviewed

All material commitments, provisions and charges accrued in the balance sheet should be disclosed in the notes

Similar items not accrued relating to specific charitable projects should be disclosed where material

Both items above should include the particulars required by para 327 and by para 328

Designated funds relating to intentions to spend and not included as liabilities should be separately disclosed

Material guarantees given and the conditions on which such guarantees may crystallise

Financial derivatives should be disclosed as required

Review the treatment of contingent assets and liabilities

Material contingent assets and liabilities must be disclosed

For the above disclose nature, the uncertainties that may affect the outcome, and a prudent estimate of the financial effects, or reasons why such an estimate is not practicable

If assets secure a loan give particulars of the assets secured and the amount of the loan or liability and its proportion of the assets charged

The amounts, interest and repayment terms of any inter fund loans

Loans to trading subsidiaries, interest payable and repayment terms

Consolidated accounts should give the position of the group as well as the position of each fund

Pension disclosures as required by FRS17
Work through the full provisions of paras 443 to 448

The assets and liabilities representing each type of fund

How each fund arose

Restrictions imposed on each fund

Sufficiency of resources in each fund

Liquidity of fund to meet immediate commitments

Explanation of any funds in deficit. There should also be a comment in the trustees' report. Designated funds should never be in deficit

Explanation of material movements in and transfer between funds together with amounts without netting off

Separate statements for each fund may be prepared

Table 2 shows how a funds statement may be prepared

F Cash flow statement

[Click for full text c](#)

[Return to lead schedule](#)

Review the application of cash flow statements

Disclose the items suggested in para 355

G Consolidation of subsidiary undertakings

[Click for full text c](#)

[Return to lead schedule](#)

Review SORP for treatment of consolidation

Comment on the activities and performance of the charity's subsidiaries

Accounting policies for methods of consolidation and inclusion/omission of subsidiaries

The notes to the consolidated accounts should give the position of the group as well as the parent

If subsidiaries are excluded or consolidated accounts are not prepared this should be explained in terms required by 404

Funds analysis of subsidiaries

Disclose retained funds in charity in a separate balance sheet fund

This will need manual amendment of the template

The notes should state the aggregate amount of the total investment of the charity in its subsidiary showing

name, means of control or particulars of shareholding, how its activities relate to that of the charity, the aggregate amount of its assets, liabilities and funds, a summary of its turnover and expenditure and profit or loss or similar categories for a charity subsidiary)

Similar details to above should be given for minority holdings in the subsidiary

Segmental information when required by para 405

H Joint Ventures and Associate undertakings

[Return to lead schedule](#)

[Click for full text c](#)

The SORP section on Associates and Joint ventures will need to be fully reviewed for the disclosure requirements

I Small Charity exemptions

Some of these exemptions are not available to limited companies. These by being shown in **brown text**.

None of these exemptions (with the exception of adoption of the FRSSE) statutory audit. If a charity is subject to a voluntary non statutory audit, the not taken of the exemptions.

***The SORP gives the following guidance on accounting for smaller c
The exemptions are detailed after these notes.***

Appendix 5

Accounting for Smaller Charities

Particular accounting disclosures and the activity basis for the analysis Statement of Financial Activities may not be relevant information for the smaller charities. Similarly, the level of detail provided in the Trustees' Annual report on the structure, size and complexity of the charity and be proportionate report. This appendix lists the concessions at the date of publication of this

5.1.1 There are many relatively small charities with very simple structures and organisations. The vast majority of them will have cash and deposit accounts. **Charitable companies (see 5.1.4)** these charities will often find that their accounts meet both their needs and those of others who read their accounts. A summary of money received and money spent during the year and a list of assets and liabilities at the year end. **5.1.2 In England and Wales, charities whose accounts 'form and content' 1993, may choose between preparing accruals accounts and receipts and gross income is not over £100,000.**

Table 11. Contents of the Trustees' Annual Report for a smaller charity (England and Wales - not subject to a statutory audit)

Details	
Reference and administrative information	
The name of the charity	41
Any other name by which a charity makes itself known	41
The charity registration number (or Scottish Charity Number) (if any)	41
The company registration number (if applicable)	41
The address of the principal office of the charity;	41
The names of the charity's trustees or trustee(s) for the charity on the date the report was approved. (where any charity trustee is a body corporate, the names of the directors of that body corporate should also be provided)	41
The names of any other person who served as a charity trustee in the financial year	41
Governance and Management	
The nature of the governing document and how the charity is (or its trustees are) constituted	44
The methods adopted for the recruitment and appointment of new trustees,	44
Objectives and Activities	44
A summary of the objects of the charity as set out in its governing document.	47(a)
Summary of the main activities undertaken in relation to those objects.	47(e)
Achievements and Performance	
A summary of the main achievements of the charity during the year	
Financial Review	
Policy on reserves	55(a)
Details of any fund materially in deficit and the circumstances giving rise to the deficit and steps being taken to eliminate the deficit.	55(b)
Funds held as Custodian Trustee	
A description of the assets which they hold in this capacity.	
The name and objects of the charity (or charities) on whose behalf the assets are held and how this activity falls within their own objects.	
Details of the arrangements for safe custody and segregation of such asset from the charity's own assets.	

The exemptions for smaller charities in the financial statements

By contrast with the trustees' report exemptions , where requirements, with regards to the main body of the accounts exemptions.

Where these may apply they are highlighted in green at the appropriate places.

App 5.3 Accounting statements of Smaller Charities

5.3.1 The SORP provides a number of concessions for smaller charities that are exempt from the full requirements of the SORP. The concessions cover the Statement of Financial Activities and the Statement of Financial Position. The concessions are set out in the following table. The concessions cover the Statement of Financial Activities and the Statement of Financial Position. The concessions are set out in the following table.

(a) In relation to the Statement of Financial Activities, smaller charities do not have to disclose the resources expended or incoming resources by activity categories within the Statement of Financial Activities. Instead they choose resource classifications to suit their circumstances.

(b) Where a small charity adopts an alternative approach to analysis of the Statement of Financial Activities certain note disclosures may no longer be necessary, for example where the constituent costs of an activity category or where relevant information is not disclosed in the Statement of Financial Activities. The disclosure paragraphs affected by this concession are set out in the following table.

Details Paragraph	Para
Analysis of activities that have generated funds	122
Analysis of incoming resources from charitable activities	146
Support Costs analysis	166 - 167
Apportionment of Costs	175 - 176
Breakdown of costs of generating voluntary income	183 - 186
Analysis of fundraising trading costs	186
Analysis of charitable activity costs	191 - 194
Analysis of grantmaking or associated support costs by activity	202, 203
Analysis of governance costs	212
Smaller charities are not required to give details of staff emoluments in bands	236

5.3.2 These concessions are intended to reduce the detail of reporting for smaller charities, **though any such charity wishing to follow the full requirements of the SORP is encouraged to do so.**

utiny

0
From 1 April 2020
To 31 March 2021 verified 311010

England & Wales ONLY - Not Scotland

Disclosure checklist and cross reference to the SORP

verified 311010

correct procedure [Go to main disclosure checklist](#)

Check the Links page for a wealth of external Links to external resources

Charities. Incorporated (ie
its Accounts

loss the figures up to one year.

rents and other income which is not
ack the definition in the SORP and the

ceeds £500,000 or total gross assets
nd & Wales below). All limited company

s exceed £3.26 million, if the gross

by a professionally qualified examiner,

Wales

in £25,000

group. If so different income levels will
dit of the charity and/ or the group is
n may be required. In simple terms if

Links to other parts of the account

Tab to the relevant Excel worksheets in this

Links [Links to external resources page](#)

on may be required. In simple terms, if then group accounts must be prepared

scrutiny under the above headings,

ply. Look at the detailed provisions to jired. These provisions can be complex

ial scrutiny is permissible.

xemptions available to none statutory ghlighted in the templates, but in many

TB	Trial Balance entry
Data	Data sheet
Cover	Front page of accounts
Contents	Contents page of acs
Director	Trustees Report
Audit	Independent Examiner's Report
PL	Statement of Financial Activities
BS	Balance Sheet
CF	Cash Flow Statement
Notes	Notes to the accounts
DetailPL2	Detailed schedule to the SOFA
Appendix	Activity analyses per the SORP
Library	Standard texts and explanations
Disclosur	Disclosure checklist
History	Details of amendments to templ
CFworkin	Internal workings for cash flow
Workings	Internal workings for acs
CC31	Independent Examination directi
	Or for charities in Scotland - see OSCR guide

1, then a review of Section I

8) and cross reference to the text of the SORP

viewed paras 419 to 429

ties

For Scotland - see also the principles set out in Schedule 1 of
[The Charities Accounts \(Scotland\) Regulations 2006](#)
For England & Wales see also the principles set out in s8
[The Charities \(Accounts and Reports\) Regulations 2008](#)

e
[PN11 The audit of charities in the UK](#)

evant is to load up the pdf file from the
can be loaded from the attached link

e that should only
that there is no conflict with VT.
i the full text of the SORP to hand for reference
before completing the full checklist (see section I)
t the disclosure is actually in the accounts
ied
ent to the template will be required
over the entire requirements of the SORP

Reviewed by **date**

is available to some small charities
should be made to the SORP

SORP	Applicatio
paragraph	Y/N/ or N/a
	VT = provided for in
	VT template

[of 2005 SORP](#)

In the application column 'AA' indicates disclosure is ma
Where 'AA' is not shown ,disclosure is only required wh

[PN11 The audit of charities in the UK](#)

[of 2005 SORP](#)

35/40	AA	VT
41(a)	AA	VT
41(a)	AA	VT

44(a)	AA	VT
41(b)	AA	VT
41(b)		VT
41(c)	AA	VT
41(d) & 42	AA	VT
41(e) & 42	AA	VT
41(f)	AA	VT
Cos Act requirement		VT
41(g)	AA	VT
44(b)	AA	VT
44(b)	AA	VT
44(c)	AA	VT
44(d)	AA	VT
44(e)		VT
44(f)	AA	VT
44(f)	AA	VT
45	AA	VT
47(a)	AA	VT
47(b)	AA	VT
47(c)	AA	VT

47(d)	AA	VT
47(e) & 48	AA	VT
49		VT
50		VT
51	AA	VT
53	AA	VT
53(a)	AA	VT
53(b)	AA	VT
53(c)	AA	VT
53(d)	AA	VT
55	AA	VT
55(a)	AA	VT
55(b)		
57	AA	VT
59(a)		VT
59(b)		VT
59(c)		VT
398		VT

Charities Act 2006 **AA** **VT** **For accounting periods commencing on or after 1 April 2006**

25 **AA**

25 **AA** **VT**

Companies Act requirement **AA** **VT**

31 **AA** **VT**

SORP paragraph **Application Y/N/ or N/a**
VT = provided for in VT template

[of 2005 SORP](#)

60 to 64 **AA** **VT**

65 to 72 **AA** **VT**

31 **AA** **VT**

90

91 **VT**

73 **AA** **VT**

74 to 76 **AA** **VT**

77 to 81 **AA** **VT**

117 **AA** **VT**

117

AA

VT

**SORP
paragraph**

Applicatio Y/N/ or N/a
**VT = provided for in
VT template**

[of 2005 SORP](#)

82 to 93

AA

VT

82 to 93

AA

VT

94 to 113

AA

VT

114

AA

VT

115

AA

VT

118

AA

VT

118

AA

VT

31

AA

VT

91

AA

VT

122

AA

VT

**various sections
of SORP
128**

AA

VT

VT

128

AA

VT

129 to 130

AA

VT

131 & 132

AA

VT

132

AA

VT

136

AA

VT

137 to 139	AA	VT
142		VT
146	AA	VT
218		VT
various sections of SORP	AA	VT
166 & 167 & Table 4	AA	VT
73 & 111 & 169(c) 258 to 261		VT
218(b)		
175 & 176	AA	VT
177	AA	VT
183 & 184	AA	VT
186	AA	VT
191 to 194 & Table 5	AA	VT
193		VT
201 to 209 & Table 6	AA	VT
212	AA	VT

216	AA	VT
217 to 220	AA	VT
218(a)		VT
218(b)		VT by manual amendment
218(c)		VT
218(b)		VT
217 and 218		VT
218(b)		VT
219		VT

**SORP
paragraph**

**ApplicatioY/N/ or N/a
VT = provided for in
VT template**

[of 2005 SORP](#)

***otes. If the template skeleton
ments, provided the worked
hecklists have been followed***

246	AA	VT
31	AA	VT
252	AA	VT
253 to 278		

279 to 294		VT
------------	--	----

295 to 307		VT
------------	--	----

308 to 312		VT
------------	--	----

313 to 316	AA	VT
------------	----	----

317 to 320	AA	VT
------------	----	----

Table 7	AA	VT
---------	----	----

317 to 320	AA	VT
------------	----	----

317 to 320	AA	VT
------------	----	----

315	AA	
-----	----	--

(yet and a manual adjustment is necessary)

321 to 329	AA	VT
------------	----	----

Table 7	AA	VT
---------	----	----

91	AA	VT
----	----	----

330 to 332		VT
------------	--	----

334		VT
-----	--	----

335		VT
-----	--	----

Accounting Standards	AA	VT
----------------------	----	----

255(b) 255(c)		VT
------------------	--	----

Appendix 2.5

225(b) & 129(b) 255(c)		VT
---------------------------	--	----

247	AA	VT
-----	----	----

SORP	Applicatio	Y/N/ or N/a
------	------------	-------------

paragraph		VT = provided for in VT template
-----------	--	-------------------------------------

[of 2005 SORP](#)

31	AA	VT
-----------	-----------	-----------

356		VT
------------	--	-----------

358	AA	VT
------------	-----------	-----------

359	AA	VT
------------	-----------	-----------

360		VT
------------	--	-----------

362	AA	VT
------------	-----------	-----------

363	AA	VT
------------	-----------	-----------

363	AA	VT
------------	-----------	-----------

363	AA	VT
------------	-----------	-----------

364		VT
------------	--	-----------

365		VT
------------	--	-----------

Appendix 2.5		VT
---------------------	--	-----------

275		VT
------------	--	-----------

299		VT
------------	--	-----------

294(c)		VT
---------------	--	-----------

366		VT
------------	--	-----------

368 & 369	AA	VT
370(a)		VT
370(b)		VT
370(c)		VT
370(d)		VT
370(e)		VT
131 and 136		VT
244		VT
122	AA	VT
114	AA	VT
115		VT
128		VT
129 to 136		VT
118	AA	VT
122		
83		VT
92		VT
368		VT

324		VT
203		VT
195 to 200		VT
195 to 200		VT
195 to 200		VT
195 to 200		VT
195 to 200		
89		VT
166 and 167	AA	VT
221 to 233		
226		VT
227		VT
230(b)	AA	VT
230(b)	AA	VT
230(c)	AA	VT
221 to 233		VT
230(d)	AA	VT

231 & 232	AA	VT
----------------------	-----------	-----------

233	AA	VT
------------	-----------	-----------

		VT
--	--	-----------

234 TO 238	AA	
-------------------	-----------	--

234		VT
------------	--	-----------

235	AA	VT
------------	-----------	-----------

236	AA	VT
------------	-----------	-----------

237	AA	VT
------------	-----------	-----------

238	AA	VT
------------	-----------	-----------

239	AA	VT
------------	-----------	-----------

		VT
--	--	-----------

240 to 241		
-------------------	--	--

240		VT
------------	--	-----------

	244		VT
	314	AA	VT
<i>ration</i>	315		
	273		VT
	274 and Table 8	AA	VT
	276		VT
	294		
	294		VT
	294		VT
	277		VT
	278		VT
	300		VT

301 VT

302 & Table 9 VT

303 & 304 VT

306 VT

307 VT

401 VT

311 VT

312

t

314 VT

316 VT

318 VT

318 VT

319 & 320 VT

321 to 325

326 VT

326 VT

327 & 328 VT
VT

329 VT

336 VT

339 VT

340 to 344 VT

345 to 348 VT

346 VT

349(a) VT

350 VT

350 VT

400 VT

443 to 448 VT

75(a) AA VT

75(b) AA VT

75(b) AA VT

75(b) AA VT

75(b) AA VT

75(c)		VT
--------------	--	-----------

75(d)	AA	VT
--------------	-----------	-----------

76	AA	
-----------	-----------	--

Table 2		VT
----------------	--	-----------

SORP paragraph	Applicatio	Y/N/ or N/a VT = provided for in VT template
---------------------------	-------------------	---

[of 2005 SORP](#)

351 to 354

355

SORP paragraph	Applicatio	Y/N/ or N/a VT = provided for in VT template
---------------------------	-------------------	---

[of 2005 SORP](#)

381 to 406		VT
-------------------	--	-----------

398		VT
------------	--	-----------

399		VT
------------	--	-----------

400		VT
------------	--	-----------

404		VT
------------	--	-----------

406

401		VT
------------	--	-----------

402

VT

405

VT

**SORP
paragraph**

**Application Y/N/ or N/a
VT = provided for in
VT template**

[of 2005 SORP](#)

407 to 408

VT

are indicated in the following notes

are available to entities subject to
en it is suggested that advantage is

Charities

s of income and costs within the
he users of accounts prepared by
ual Report is likely to be dependent
e to the needs of the users of the
SORP.

structures and no control of other
nts but few other assets. **Apart from**
ash-based receipts and payments
ts. This form of accounts contains a
assets at the end of the year.

are governed by the Charities Act
I payments accounts provided their

ons made under the Law Reform
payments accounts provided their

nts and are **not covered by these**

mendations on cash-based receipts
d in paragraph 6 such charities are
undertaken.

ie on the preparation of cash based

thresholds for small companies, as
cial Reporting Standard for Smaller
s with this Charities SORP, in which
have to prepare additional accounts
t they cannot follow the FRSSE for
sh-based (receipts and payments)

nts of the SORP for smaller entities.

ce of a profit and loss account and

counts. This will include appropriate
and the differentiation of funds on

ket value.

taken to reserves (as prescribed in
: of

rating profit must be shown in an

ould apply the relevant accounting
n relation to consolidated accounts.

***e SORP sets out the minimum
harities are subject to a voluntary
concession of the exemptions.***

***an exemption is available the
in green text***

and Wales

a Trustees' Annual Report.

***it are not subject to a statutory
cession of the exemptions.
table companies.***

ummarised in table 11 below.

irity

Paragraph

- (a)
- 41(a)
- 41(b)
- 41(b)
- 41(c)

l(d)

(e)

(a)

)

(54)

ts

s

**the SORP sets out minimum
s, the SORP sets out specific**

ropriate point in the templates

at are **not subject to a statutory**
atement of Financial Activities and

not need to analyse either resources
nt of Financial Activities. They may

within the Statement of Financial
e, where these disclosures relate to
ion is provided on the face of the
is are:

References

.84

l
03(b)

g requirements placed on smaller
ommendations of the SORP is

ge
ernal resources
urces page

nts production file
; template

[& I&E ac](#)

[ates](#)

[ons 2008](#)
[lance](#)

**mandatory for all charities
when relevant**

1 or after April 1st 2008

Incorporated charity - Exempt

Client
Code

File Section

Schedule prepared by

Schedule Reference

Incorporated charity - Exempt from

This template is for charities exempt from the Companies Act 2006 for information only
For Scottish Charities
This checklist only applies to limited liability companies

Several of the steps in this checklist

This process is sometimes known colloquially as 'the audit'.
Accounting periods commencing before 1 January 2016

This process applies to incorporated charities for accounting periods commencing in the current year or either of the two previous years.

Copyright

Accounting periods commencing on or after 1 January 2016
If the charity's turnover for the accounting period exceeds the limit of £250,000, the charity must prepare a full audit report. The current limit will be abolished and replaced by a new limit of £1 million from 1 January 2016.

Asset test

Charity Commissioners' Direction

For accounting periods commencing after 2015

At all steps in the accounts production

All references to 'sections' are to sections of the Companies Act 2006

Text in red is by way of explanation and

guidance. The preparation of an Accountant's Report and the accompanying notes to the accounts

Disclosure exemptions for entities not subject to the audit
Click on the following links to the Companies Act 2006

Certain disclosures are compulsory for statutory accounts.

The narrative explanation to the directors' report
how is an examiner selected and what is the role of the examiner
detailed knowledge of this section of the Companies Act 2006

[Link to the Charity commission documents -](#)

[Narrative explanation to directions](#)

[1. Examination and accounting thresholds](#)

[2. Documentation](#)

[3. Understanding the charity](#)

[4. Accounting records](#)

[5. Comparison with accounting records](#)

[For further resources go to the 'Links' worksheet](#)

Direction

Examination and accounting thresholds

Direction Examination and accounting thresholds

1. The examiner shall carry out such specific procedures as are considered necessary to provide a reasonable basis on which to conclude:

(i) that an examination is required under section 43(3) of the Charities Act 1993, and that section 43(2) (audit) of the Charities Act 1993 does not apply to the charity; and

(ii) where the charity is a small company charity, that it is exempt from audit in accordance with section 477 of the Companies Act 2006; and

(iii) where accounts are prepared on a receipts and payments basis under section 42(3) of the Charities Act 1993, that the charity trustees may properly elect to prepare accounts under this sub-section.

~
€
f

J
C
A
k
t
r
s
r
v
C

J
t
ä
€
ä
C
t

J
t
C

J
ä
i
€
f
€

J
ä
r
t
C
t
i
t
t
v

**This template is part of a much more
purchased from Sorpaid which enables
independent examination to the highest**

Contact Sorpaid for details on www.sorpaid.com

Direction

Documentation

Direction
Documentation
2. The examiner shall record
.. ..

the examination procedures carried out and any matters which are important to support conclusions reached or statement provided in the examiner's report.

**This template is part of a much more
purchased from Sorpaid which enables
independent examination to the highest**

Contact Sorpaid for details on www.sorpaid.com

Direction

Understanding the charity

Direction

Understanding the charity

3. The examiner shall obtain an understanding of the charity's constitution, organisation, accounting systems, activities and nature of its assets, liabilities, incoming resources and application of resources in order to plan the specific examination procedures appropriate to the circumstances of the charity.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Accounting records

Direction

Accounting records

4. The examiner shall review the accounting records maintained in accordance with section 41 of the Charities Act 1993, or, in the case of a charity that is a company, the accounting records maintained in accordance with section 386 of the Companies Act 2006, in order to provide a reasonable basis for the identification of any material failure to maintain such records.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Comparison with accounting records

Direction

Comparison with accounting records

5. The examiner shall compare the accounts of the charity with the charity's accounting records in sufficient detail to provide a reasonable basis on which to decide whether the accounts are in accordance with such accounting records.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Analytical procedures

Direction

Analytical procedures

6. The examiner shall carry out analytical procedures to identify unusual items or disclosures in the accounts. Where concerns arise from these procedures, the examiner must seek explanation from the charity trustees. If, after following such procedures, the examiner has reason to believe that in any respect the accounts may be materially misstated then additional procedures, including verification of the asset, liability, incoming resource or application, must be carried out.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Form and content of accounts

Direction

Form and content of accounts

7. The examiner shall carry out such procedures as the examiner considers necessary to provide a reasonable basis on which to decide whether or not the accounts prepared under section 42(1) of the Charities Act 1993 comply with the form and content requirements of the 2008 Regulations including their preparation in accordance with the methods and principles set out in the Statement of Recommended Practice: Accounting and Reporting by Charities (the SORP). Or in the case of a charity that is a company, whether or not the accounts are prepared in accordance with sections 396 of the Companies Act 2006, and are prepared in accordance with the methods and principles of the SORP.

(
7
i
p
i
i
a
r
k
f
a
r
r
7
t
r
e
7
k
a
r
s
r
e
c
a
7
a
c
c
t
t
r
f
7
t
f
i
a
a
e
v

€
7
r
7
2
r
2
f
r
7
f
ē
t
i
C
S
r
7
ē
C
F

This template is part of a much more
purchased from Sorpaid which enables
independent examination to the highest

Contact Sorpaid for details on www.sorpaid.com

Direction

Accounting policies, estimates and judgements

Direction

Accounting policies, estimates and judgements

8. When accounts are prepared under section 42(1) of the Charities Act 1993, or in the case of a charity which is a company, prepared under section 396 of the Companies Act 2006, the examiner shall review the accounting policies adopted and consider their

consistency with the Statement of Recommended Practice: Accounting and Reporting by Charities (the SORP) and their appropriateness to the activities of the charity. The examiner must also consider and review any significant estimate or judgment that has been made in preparing the accounts.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Trustees' Annual Report

Direction (

Trustees' Annual Report)

9. When accounts are prepared under (

section 42(1) of the Charities Act 1993, t

or in the case of a charity which is a f

company, prepared under section 396 (

of the Companies Act 2006, the

examiner shall compare the accounts (

to any financial references in the (

charity Trustees' Annual Report (if any); (

identifying any major inconsistencies f

and consider the significance such t

matters will have on a proper and f

accurate understanding of the charity's f

accounts :

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Examiner's Report

Direction

Examiner's report

10. The examiner shall review and assess all conclusions drawn from the evidence obtained from the examination and consider the implications on the report to be made under Regulation 31 of the 2008 Regulations. If the examiner has caused to make a positive statement on any matter arising from the provisions of Regulation 31(h) or 31(i), or to make a statement on any matter arising from the provisions of Regulation 31(j), then the examiner must ensure so far as practicable that the report gives a clear explanation of the matter and of its financial effects on the accounts presented.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Direction

Statutory Duty to report to the Charity Commission

Statutory duty to report to the Charity Commission

11. Sections 44 and 68A of the Charities Act 1993 place a duty upon the independent examiners of both the non-company and company charities to make a report to the Charity Commission, where in the course of their examination, they identify a matter, which relates to the activities or affairs of the charity or of any connected institution or body, and which the examiner has reasonable cause to believe is likely to be of material significance for the purposes of the exercise by the Commission of its functions under section 8 or 18 of the Charities Act 1993.

This template is part of a much more comprehensive pack purchased from Sorpaid which enables independent examination to the highest standards.

Contact Sorpaid for details on www.sorpaid.co.uk

Neither the 1993 nor the 2006 Acts define gross income. Charities must, however, collect information through the Annual Return process to ensure that they meet the scrutiny requirements set by the Acts, must prepare accounts annually in preparation for the Annual Return process.

APPENDIX 1

Calculation of gross income

Gross income is the total recorded income (resources received as capital (endowment) funds). Section 97 of the 1993 Act states that a charity's income from all sources including special trusts should be calculated before deduction of any expenses. The calculation of income should include:

- donations (including covenants, gift aid subscriptions (see note 1 below);

Where accounts are prepared on the accrual basis:

- gross proceeds from the sale of goods or services;
- gross proceeds from fund-raising and other activities (SORP) for all funds but excluding the receipt of any amount transferred to incorporate a new fund;
- investment income (including interest, dividends) available for expenditure.

(Note that the SORP excludes from total income other income which will include:

- the amount of any unapplied total return on investments which do not form part of 'gross income';
 - the amount of any unapplied total return on investments which do not form part of 'gross income'.
- Where accounts are prepared on the receipt basis:
- when trustees decide to spend expendable income. This is because capital receipts are not included in the statement from all sources (see note 2 below).

The calculation should exclude the following:

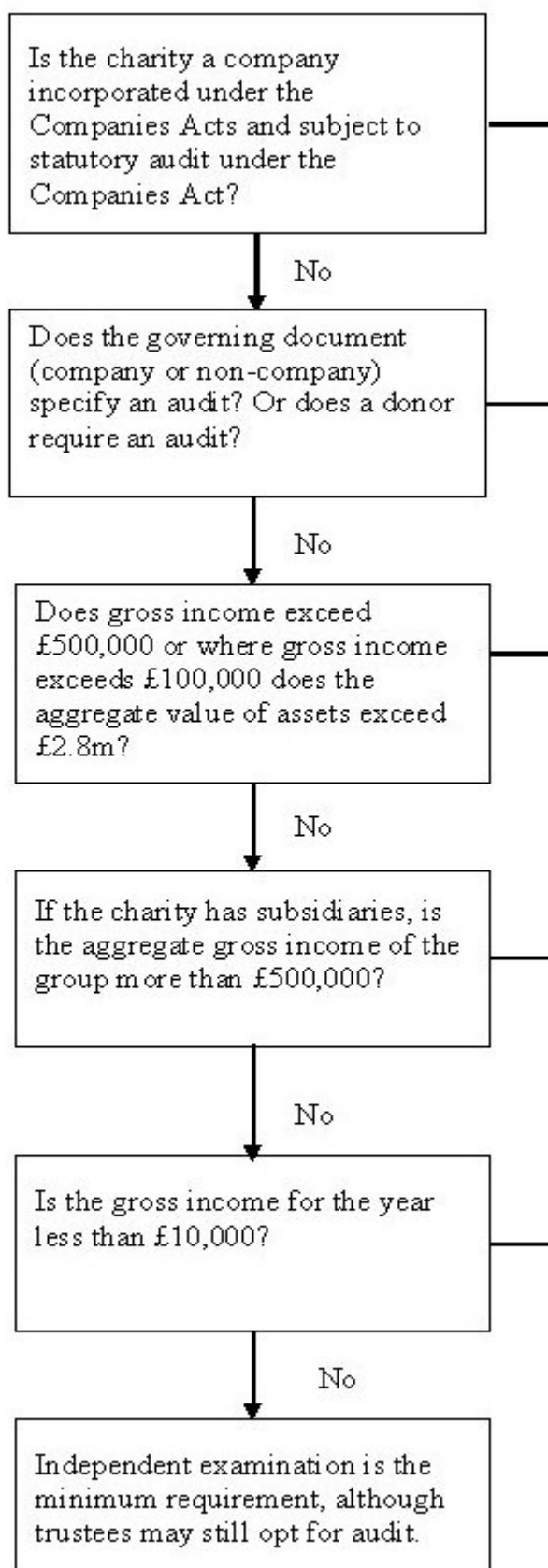
The 2005 Regulations (Regulation 8)

- receipt of a loan by the charity;
- loan repayments to the charity;
- proceeds of sale of investments and fixed assets.

APPENDIX 2

8. An independent examiner who has carried out an examination of the charity's accounts under the 1993 Act shall make a report to the charity and to the Charity Commission.

unreduced gains or profits or investments
 Flowchart: Eligibility requirements
 b) Is signed by him and specifies any relevant member:



provide all the evidence that would be requ

on the view given by the accounts.

Independent examiner's statement

Appendix 3 - Charities based in England and Wales

APPENDIX 3

Charities based in England and Wales a

Since the introduction of the Charities and England and Wales which also operate in Scotland Charity Regulator (OSCR). Examiners of charities should be familiar with the guidance on the

Examiners should also note that where a matter identified the report made to the charity regulator will determine jointly which regulator takes the

OSCR does not insist on separate Scottish Accounts prepared under the SORP will be a Trustees' Annual Report addresses activities

For cross-border charities that prepare receipts that need to be met. The main difference is of Assets and Liabilities' and certain notes to requirements is available on OSCR's website

The Commission will accept receipts and payments and the Trustees' Annual Report. The 'Statement (including a Statement of Assets and Liabilities) needed because the Scottish requirements for preparing receipts and payments accounts.

You can download a 'Receipts and Payments

Trustees and examiners acting for charities view OSCR's website. In particular trustees charity law and note that in all cases where the examiner must be undertaken by a 'qualified (Scotland) Regulations 2006'. In addition accounts within 9 months of the end of an accounting

Examiners should be aware that in Scotland making their report and state in their report Annual Report prepared by the charity trustees

The examiner may prepare a combined examination Example reports provided in this appendix for England and Wales and Scotland.

EXAMPLE 3.1: EXAMINER'S UNQUALIFIED REGISTERED WITH THE OFFICE OF THE ACCOUNTS)

Independent examiner's report to the trustees
I report on the accounts of the Trust for the year

Respective responsibilities of trustees and examiners:
The charity's trustees are responsible for the financial statements. An audit is not required for this year under Regulation 10(1)(a) to (c) of the Charities Act 2011. If an independent examination is needed, it

an independent examination is needed. I undertake the examination by being a qualified

It is my responsibility to:

examine the accounts under section 43 of the Trustee Investment (Scotland) Act 2005 (the 1993 Act) to follow the procedures laid down in the 1993 Act; and 43(7)(b) of the 1993 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 Regulation 11 of the 2006 Accounts Regulations. It includes a review of the accounting records with those records. It also includes considering explanations from you as trustees provide all the evidence that would be required for the accounts to present a 'true and fair view' of the accounts below.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that you have

to keep accounting records in accordance with Regulation 4 of the 2006 Accounts Regulations; or to prepare accounts which accord with the requirements of the 1993 Act and section 44(1)(b) of the 2006 Act; or have not been met; or

(2) to which, in my opinion, attention should be drawn so that it can be reached.

Name:

Relevant professional qualification or body:

Address:

Date:

EXAMPLE 3.2: UNQUALIFIED REPORT (FOR CHARITIES PREPARING RECEIPTS AND PAYMENTS ACCOUNTS)
Independent examiner's report to the trustees
I report on the accounts of the Trust for the year ended 31 March 2015.

Respective responsibilities of trustees and examiner
The charity's trustees are responsible for the preparation of the accounts. An audit is not required for this year under Regulation 10(1)(d) of The Charities Accounts Regulations. It is my responsibility to state that an independent examination is needed.

It is my responsibility to:

examine the accounts under section 43 of the Trustee Investment (Scotland) Act 2005 (the 1993 Act) to follow the procedures laid down in the 1993 Act; and 43(7)(b) of the 1993 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 Regulation 11 of the 2006 Accounts Regulations. It includes a review of the accounting records with those records. It also includes considering explanations from you as trustees provide all the evidence that would be required for the accounts to present a 'true and fair view' of the accounts below.

is in accordance with Regulation 11 of the 2006 Accounts Regulations. It also includes a review of the accounting record with those records. It also includes considering explanations from you as trustees provide all the evidence that would be required for the accounts to present a 'true and fair view' below.

Independent examiner's statement
In connection with my examination, no matter

(1) which gives me reasonable cause to believe

to keep accounting records in accordance with Regulation 4 of the 2006 Accounts Regulations; or to prepare accounts which accord with the requirements of the 1993 Act and section 44(1)(b) of the 2006 Act; or have not been met; or

(2) to which, in my opinion, attention should be drawn to be reached.

Name:
Relevant professional qualification or body:
Address:
Date:

EXAMPLE 3.3: EXAMINER'S UNQUALIFIED OPINION (WITH OSCR)

Independent examiner's report to the trustees
I report on the accounts of the company for the year ended 31 March 2006.

Respective responsibilities of trustees and examiner
The trustees (who are also the directors of the company) are responsible for the preparation of the accounts. The trustee is responsible for ensuring that the accounts are prepared in accordance with the requirements of section 43(2) of the Charities Act 1993 (the 1993 Act) and section 44(1)(b) of the 2006 Act (Scotland) Regulations 2006 (the 2006 Accounts Regulations).

Having satisfied myself that the charity has carried out an independent examination, it is my responsibility to report on the results of the examination.

examine the accounts under section 43 of the Charities Act 1993 (the 1993 Act) and section 44(1)(b) of the 2006 Act (Scotland) Act 2005 (the 2005 Act) to follow the procedures laid down in the 2006 Accounts Regulations; 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 Regulation 11 of the 2006 Accounts Regulations.

My examination was carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. It also includes a review of the accounting record with those records. It also includes considering explanations from you as trustees provide all the evidence that would be required for the accounts to present a 'true and fair view' below.

Independent examiner's statement
In connection with my examination, no matter

(1) which gives me reasonable cause to believe

to keep accounting records in accordance with the 2005 Act; and
to prepare accounts which accord with the Companies Act 2006, section 44(1)(b) of the Companies Act 2006, which are consistent with the methods and practices and Reporting by Charities
have not been met; or

(2) to which, in my opinion, attention should be drawn to be reached.

Name:

Relevant professional qualification or body:

Address:

Date:

Appendix 4 Example Examiner's Report:

APPENDIX 4

Example examiner's reports

These example reports are provided to illustrate how a report complies with the 2008 Regulations. They may come across in their work.

An 'unqualified report' means that at the time of the audit, the examiner has come to their attention that leads them to believe that the 2008 Regulations reported by the examiner then t

Please note the new requirement, where the examiner must confirm their qualification(s) that permit the

In exceptional circumstances, the Committee may accept a report instead of an audit. The 2008 Regulations replace the place of an audit and the date of the Commi

By far the majority of charities are trusts or incorporated under the Companies Acts. The charities' or 'charitable companies' for the examiner's report is different to that of the guidance. If in doubt check the Governing Law and articles of association and will have been

The example examiner's reports are:

4.1 Unqualified report for a non-company (payments accounts).

4.2 Unqualified report for a charitable company

4.3 Qualified report where a non-company separately identify restricted funds.

4.4 Qualified report where a non-company properly maintain accounting records.

4.5 Qualified report where a non-company's funds were properly spent. (A statutory duty example report in **Appendix 5**.)

4.6 Qualified report where a charitable company SORP.

EXAMPLE 4.1: EXAMINER'S UNQUALIFIED **Independent examiner's report to the trustee** I report on the accounts of the Trust for the year

Respective responsibilities of trustees and examiner:
The charity's trustees are responsible for the accounts. An audit is not required for this year under independent examination is needed.

It is my responsibility to:

examine the accounts under section 43 of the Act to follow the procedures laid down in the Act; and 43(7)(b) of the 1993 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 standards of independent examination. It includes a review of the accounts presented with those records. It also includes checking and seeking explanations from you as trustee to ensure that you provide all the evidence that would be required for the accounts to present a 'true and fair view' of the year below.

Independent examiner's statement
In connection with my examination, no matter has come to my attention which

(1) which gives me reasonable cause to believe that you

have not kept accounting records in accordance with the Act or to prepare accounts which accord with the requirements of the 1993 Act.

the 1993 Act
have not been met; or

(2) to which, in my opinion, attention should
to be reached.

Name:
Relevant professional qualification or body:
Address:
Date:

EXAMPLE 4.2: EXAMINER'S UNQUALIFIED
Independent examiner's report to the trustees
I report on the accounts of the company for

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of
the preparation of the accounts. The trustee
43(2) of the Charities Act 1993 (the 1993 Act),
gross income exceeded £250,000 and I am
of (named body).

Having satisfied myself that the charity
independent examination, it is my responsibility

examine the accounts under section 43 of the
to follow the procedures laid down in the
43(7)(b) of the 1993 Act; and
to state whether particular matters have come
Basis of independent examiner's report
My examination was carried out in accordance
examination includes a review of the accounts
presented with those records. It also includes
and seeking explanations from you as trustees
provide all the evidence that would be required
the accounts present a 'true and fair view'
below.

Independent examiner's statement
In connection with my examination, no matter

(1) which gives me reasonable cause to believe

to keep accounting records in accordance with
to prepare accounts which accord with the
section 396 of the Companies Act 2006 and
Practice: Accounting and Reporting by Charities
have not been met; or

(2) to which, in my opinion, attention should
to be reached.

Name:
Relevant professional qualification or body:
Address:
Date:

EXAMPLE 4.3: EXAMINER'S QUALIFIED STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNTS (NON-COMPANY)
Independent examiner's report to the trustees
I report on the accounts of the Trust for the year ended 31 March 2017.

Respective responsibilities of trustees and examiner:
The charity's trustees are responsible for the preparation of the accounts. As the charity is not required for this year (under the Companies Act 2006) an independent examination is needed.

It is my responsibility to:

to examine the accounts under section 43 of the Companies Act 2006;
to follow the procedures laid down in the Statement of Recommended Practice (SORP) 2014; and
to state whether particular matters have come to my attention.
Basis of examiner's statement
My examination was carried out in accordance with the SORP 2014. My examination includes a review of the accounts and supporting records presented with those records. It also includes checking the arithmetic and seeking explanations from you as trustees. I have not seen all the evidence that would be required to verify the accounts present a 'true and fair view' of the charity's financial position below.

Independent examiner's qualified statement
The trustees have prepared receipts and payments accounts for the year ended 31 March 2017. At the end of one cheque book the money was banked together with the balance of the previous year. The accounts show the expenditure of £2,837. The trustees pointed out that the charity has a weekly banking of £1,275 but they have not banked the accounts separately.

In connection with my examination, no other matters have come to my attention:

(1) which gives me reasonable cause to believe that the accounts do not give a true and fair view;

to keep accounting records in accordance with the SORP 2014;
to prepare accounts which accord with the requirements of the 1993 Act;
have not been met; or

(2) to which, in my opinion, attention should be drawn by the trustees.

Name:

Relevant professional qualification or body:

Address:

Date:

EXAMPLE 4.4: EXAMINER'S QUALIFIED STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNTS PROPERLY (NON-COMPANY)
Independent examiner's report to the trustees
I report on the accounts of the Trust for the year ended 31 March 2017.

Respective responsibilities of trustees and examiner:
The charity's trustees are responsible for the preparation of the accounts. As the charity is not required for this year under the Companies Act 2006, an independent examination is needed.

an audit is not required for this year under independent examination is needed.

It is my responsibility to:

- examine the accounts under section 43 of
- to follow the procedures laid down in the 43(7)(b) of the 1993 Act; and
- to state whether particular matters have c

Basis of examiner's statement

My examination was carried out in accordance with the provisions of the 1993 Act. My examination includes a review of the accounts presented with those records. It also includes seeking explanations from you as trustees to provide all the evidence that would be required for the accounts to present a 'true and fair view' of the accounts below.

Independent examiner's qualified statement

The trustees have prepared receipts and payments of £36,873 however no records have been kept of cash made and cash balances were retained until the end of the year. The majority of the expenditure was for the purchase of play equipment, there are no records of withdrawals using a charity debit card but for the year ending 31st March 2014 with receipts for only £41,732 leaving £44,200.

In connection with my examination, no other matters have come to my attention, apart from accounting records of the 1993 Act:

(1) which gives me reasonable cause to believe that the accounts which accord with the accounting records of the 1993 Act have not been met; or

(2) to which, in my opinion, attention should be drawn to be reached.

Name:

Relevant professional qualification or body:

Address:

Date:

EXAMPLE 4.5: EXAMINER'S QUALIFIED STATEMENT (CHARITY)

Independent examiner's report to the trustees of the charity
I report on the accounts of the Trust for the year ending 31st March 2014.

Respective responsibilities of trustees and examiner:
The charity's trustees are responsible for the preparation of the accounts. An audit is not required for this year under independent examination is needed.

It is my responsibility to:

examine the accounts under section 43 of the 1993 Act; and
to follow the procedures laid down in the 1993 Act; and
43(7)(b) of the 1993 Act; and

to state whether particular matters have come to my attention
Basis of examiner's statement

My examination was carried out in accordance with the provisions of the 1993 Act. My examination includes a review of the accounts presented with those records. It also includes seeking explanations from you as trustees and seeking explanations from you as trustees to provide all the evidence that would be required for the accounts to present a 'true and fair view' of the accounts below.

Independent examiner's qualified statement
In connection with my examination, no material matters have come to my attention which lead me to believe that, in any material respect, the records

to keep accounting records in accordance with the provisions of the 1993 Act
to prepare accounts which accord with the provisions of the 1993 Act
of the 1993 Act
have not been met.

The accounts disclose the payment of a material sum of money to a charity in country X. The trustees explained that a sum of money was given to a representative of XXX and that the funds were used and were not able to be accounted for from XXX partner organisation. A concern is expressed that the evidence available to inform the donor of its

No other matter has come to my attention in connection with the accounts which should be drawn in order to enable a proper

Name:
Relevant professional qualification or body:
Address:
Date:

EXAMPLE 4.6: EXAMINER'S QUALIFIED STATEMENT (COMPANY CHARITY)

Independent examiner's report to the trustees
I report on the accounts of the company for the year ended 31 December 2017.

Respective responsibilities of trustees and examiner
The trustees (who are also the directors of the company) are responsible for the preparation and the fair presentation of the accounts in accordance with the provisions of the 1993 Act.

the trustees (who are also the directors of the preparation of the accounts. The trustee 43(2) of the Charities Act 1993 (the 1993 Ac

Having satisfied myself that the charity independent examination, it is my responsib

examine the accounts under section 43 of th to follow the procedures laid down in the 43(7)(b) of the 1993 Act; and to state whether particular matters have cor

Basis of independent examiner's report
My examination was carried out in accordar examination includes a review of the accou presented with those records. It also include and seeking explanations from you as trustee provide all the evidence that would be requ the accounts present a 'true and fair view' below.

Independent examiner's qualified statement
The accounts do not fully comply with com sheet and notes are present but instead c expenditure account, only a profit and loss a the balance sheet are the funds analysed b funds held is detailed in the notes to the acc at the year-end.

In connection with my examination, apart f fully compliant with the accounting requiren principles of the Statement of Recommend come to my attention:

(1) which gives me reasonable cause to accounting records in accordance with secti

(2) to which, in my opinion, attention should to be reached.

Name:
Relevant professional qualification or body:
Address:
Date:

~~Note from Sora paid - many of these def~~
Accounting Standard or professional gu

APPENDIX 5
Further advice for examiners - identify

Introduction

The examiner's statutory duty to report is set out in section 11 of this guidance. This appendix lists matters that may be reportable to the Commission.

A decision to report a matter to the Commission is likely to be of material significance. The examiner has to consider the matter identified from the list or an exhaustive list of all matters of 'material significance' deciding whether a matter identified is reportable and is only expected to do so if the matter is reportable.

Minor breaches of trustees' obligations or misstatements of assets are not normally reportable unless they are significant.

The Commission recognises that reaching a decision is a task particularly for volunteer examiners who may not have the time or resources.

There are a number of questions the examiner should ask:

Is this a matter which causes you, the examiner, concern?
Is this a matter the Commission is likely to need to know about?
Is this a matter the Commission needs to know about?
Are charity funds or the safety of beneficiaries at risk?
The examiner should check whether the matter is covered in the guidance which are always regarded as reportable. There is a range of matters which the Commission investigate on our website.

If after going through these steps the examiner is still in doubt as to whether a matter is of 'material significance' it can be helpful to discuss the matter with the examining committee. If the decision not to report will remain with the examining committee but we cannot make the decision, a discussion will not remove the need for a reportable matter of material significance.

Where a matter is identified which is potentially reportable or circumstances. The examiner does not have to be in doubt but the examiner needs to have sufficient evidence that a reportable matter does exist or has occurred. The examiner can help establish their concern but only to the extent of their belief about the reportable matter.

It is also important for the examiner to remember that a report is not a report. An independent examination is not required. The examiner to look at a limited number of this examination are set by the Directions and the examiner must not do is ignore a matter identified as being of material significance.

Matters suggesting dishonesty or fraud
funds or assets – criminal activity within the charity has already been reported to the police. Certain matters are considered, for example, large or regular cash payments for the purposes of the charity, falsifying of accounts or records of personal bank accounts to hold charity funds, or where the end recipient cannot be identified. The examiner should check the accounts and seeking explanations for unusual transactions.

Failure(s) of internal controls, including:

Factors leading to the knowledge or s

atters leading to belief or suspicion t

Significant or recurring breach(es) of e

including suspending a charity trustee, pro particular terms involving significant charity regulatory powers to protect the assets or r consent on particular terms. If, for exan administration of a charity or funds are bei undertaken on a basis that is contradictory t

Any notification or matters reported matters that the examiner is aware categories of reportable matters - The matter, for example, a refusal to provide inf magnitude that the examiner is unwilling t falls within the categories of reportable matt Trustees are separately required to notify th requiring the filing of a serious incident repo the year or as part of their Annual Return serious incident reports, not the examiner's have had cause to make a serious incident r examiner should ask for a copy and if it is the examiner's understanding of what has remedy the matter of which they are aware.

An example letter, reporting a matter of m: An example letter is also provided of a n category of 'material significance' but when report believing the information to be releva

Example report arising from a legal du Commission (a sample discretionary re

This example provides additional information Whitetree

White Town Lane

White Whitterington

Well County

WW1 3ZZ

The Complaints Team Manager

Charity Commission Direct

PO Box 1227

LIVERPOOL L69 3UG

September 15 2009

Dear Sir

Matter of material significance to be brought I am making a report to you in accordance , which I believe is of material significance to Charities Act 1993.

The income of ABC Trust to the year ending AB Donor Trust of £75,000 to fund a plann course of my examination I discovered th occasions taking these funds with him in th XXX a partner organisation. Neither Mr CD r any field reports or other evidence as to how

The trustees remain confident in Mr TZ who facilities was for XXX meeting an expectation of

facilities run by xxx partner organisation given the trustees have sought to obtain field reports, journeyed to neighbouring Y Country and his money may now require the return of these funds if money was spent.

Having completed my examination of the accounts, these matters.

Yours faithfully

Mr A Doubt

Example report: A discretionary report

Whitetree

White Town Lane

White Whitterington

Well County

WW1 3ZZ

The Complaints Team Manager

Charity Commission Direct

PO Box 1227

LIVERPOOL L69 3UG

September 15 2009

Dear Sir

Matter of relevance to the functions of the Charity

I am making a report to you in accordance with the provisions of the Act which I believe is of relevance to you in the circumstances.

Whilst carrying out the independent examination of the accounts of the trustee, Mr Long Service, an honorarium of £1,000 was made, no power in its constitution to make the payment, which is above the level of £1,000 permitted by charity law. I understand the trustees have agreed to pay the matter.

Having completed my examination of the accounts, the payment is shown in the accounts and the necessary steps have been taken to provide a proper understanding of the matter.

Yours faithfully

Mr A Doubt

Appendix 6 Glossary of terms

APPENDIX 6 Glossary of terms

1993 Act

This means the Charities Act 1993.

2006 Act

This means the Charities Act 2006

2008 Regulations

This means the Charities (Accounts and Rep

Accounting policies

Those principles, bases, conventions, rules and events are reflected in the accounts through liabilities, gains, losses and changes or movements where judgment is required in recording the Accounting policies should be relevant and information presented in the accounts.

Accounting standards

Accounts which are intended to show a true and fair view by the Accounting Standards Board. These standards are familiar, comprise a number of 'Statement of Financial Standards' (FRS) and 'Urgent Issues Taskforce

Accruals basis

This concept requires the effects of transactions to be recorded in accounts for the period in which they occur, rather than when they are made. This concept is central to the recognition

This term has been used to describe accounts under the 1993 Act. Such accounts should be prepared to comprise:

- a statement of financial activities;
- a balance sheet; and
- notes to the accounts.

Such accounts should be prepared on a basis that gives a fair view and are consistent with accounting principles and accruals.

Bank reconciliation

A bank reconciliation is a statement which reconciles the balance shown in the accounts by adjusting for items that have been written but not presented as of the date prior to the closing bank balance date.

Charity trustees

Charity trustees are defined by section 9 of the 1993 Act. They are responsible for the management of the charity. In the charity's governing document, they may be referred to as members, governors, or directors, or they may be referred to as trustees.

Control accounts

Control accounts form part of the nominal ledger. They are used to control the total amounts invoiced and cash received. The balance on such accounts can be reconciled with the total amount received. Payment has not been received.

Directors

Directors are one or more persons who are responsible for the management of the company. The directors form a Board of Directors. They are responsible for managing the company's affairs and are legally liable for their actions. The trustees of a charity are also directors.

Endowment

Endowment funds are a form of restricted fund. Income generated from the capital can be spent for the purposes of the charity. Endowment is a fund where the trustees do not have the option to spend the income. Endowment funds are a form of restricted fund. Income generated from the capital can be spent for the purposes of the charity. Endowment is a fund where the trustees do not have the option to spend the income.

Evidence

This phrase is used in Appendix 5 in determining the level of evidence that should be reported. Evidence is the information that is used to support the conclusions of an examination. The sources of evidence available to the auditor include analytical review, the explanations given in response to inquiries, and the results of procedures that prove necessary and the checks.

Form and content

Form and content refers to the statutory requirements that must be contained in the accounts.

Fraud

The Fraud Act 2006 established a definition of fraud as a failure to disclose information, or abuse of position, where the person is acting dishonestly and is seeking to gain financial advantage or cause loss.

Going concern

The concept requires the charity to prepare the accounts on the basis that it will continue to operate for the foreseeable future. The going concern assumption is that the trustees intend, to cease operational activities only in exceptional circumstances.

Governing document

The governing document of a charity is any document that governs the way in which the charity is to be administered. It may be a trust deed, a charter, conveyance, Royal Charter, Scheme of the Charity, or the provisions contained in the governing document.

Letter of engagement

A letter addressed to the charity trustees setting out the responsibilities of the charity trustees and the terms of the engagement. It should include matters such as fee arrangements, the scope of the statutory work to be undertaken by the external auditor, and the content of any such letter should be agreed with the charity trustees.

Materiality (material)

Materiality is the judgement by the external auditor as to whether an error or misstatement in the accounts is likely to influence the reader's understanding of the accounts.

Members

Members of a charity are those persons or organisations who are entitled to exercise the powers of the charity. The governing documents set out the rights and responsibilities of members and the external auditor. Under company law the members of a company are those persons who are entitled to exercise the powers of the company and are also those persons who become members. Company law and the articles of association set out the rights and responsibilities of members, the role and responsibilities of the directors and the governance of the charitable company.

Misappropriation

This term is used in Appendix 5 and means the use of assets for someone's own use.

Misstatement

This term is used in Direction 6, analytical procedures. It means a statement that is materially misstated by the inclusion of an item that should not be included or by the omission of an item that should be included.

Nominal ledger

Nominal ledger, or general ledger, is an account that contains the accounting transactions for all transactions that have been processed over the year and financial accounts prepared. Smaller charities analyse cash book normally in an analysed cash book.

Payroll summaries

Computerised or manual records indicating employers' national insurance and other contributions to defined benefit or defined contribution pension schemes.

Professional audit

An audit is undertaken by a person who is a qualified auditor. An auditor has to express his or her professional opinion on the accounts in accordance with UK auditing standards.

Receipts and payments basis

This phrase has been used to describe accounts that are prepared on a receipts and payments basis.

a receipts and payments account; and a statement of assets and liabilities. Such accounts do not purport to show a 'true and fair view' of the money received and paid during the year and the assets and liabilities at the end of the year.

Restricted income funds

Restricted income funds are funds that the charity is required to spend on a specific purpose. Restricted income funds are subject to special provisions of the Charities Act 2006 (eg in a public appeal) or created by the charity's governing document.

SORP

The Statement of Recommended Practice – Accounting for Charities sets out the recommended practice for the preparation of the accounts of a charity on an accruals basis. It is a statement of recommended practice for charities preparing receipts and payments accounts.

Statutory audit

Where the term statutory audit is used this means an audit required by law where the charity's gross income and/or assets exceed certain thresholds, or an appointment as auditor of a company, or a requirement under the Companies Regulations.

Trial balance

The trial balance is the simple listing of the debit and credit balances maintained within the charity's manual records.

Terrorism

Under Part II of the Terrorism Act 2000, the charity's accounts must be prepared in accordance with the provisions of the Act.

ne/sne believes is concerned with terrorism, participates in acts of terrorism, prepares concerned in terrorism either in the UK or ab

Unrestricted funds

Unrestricted funds are funds which the tru purposes. Unrestricted funds may also conta for a particular purpose; these earmarked fi part of the unrestricted funds, though they accruals accounts are prepared, or as part prepared.

Working papers

Working papers are the written or computer of work undertaken, kept by the examiner t they posed and the answers they had to th review, and copies of any records that may l

The introduction to and narrative explanation in pages 1 to 14 of CC31

Introduction: what is this guidance about

To maintain public confidence in the work o scrutiny of their accounts. Provided a charity exceeds £100,000 its gross assets are not r simpler and less expensive form of external

An independent examination is a simpler fo beneficiaries, stakeholders and the public

beneficiaries, stakeholders and the public reviewed by an independent person. For examination will also be an option for eligible gross income of more than £10,000 will have

Trustees are responsible for deciding whether selecting and appointing the independent examiner to know about independent examination and make the examination effective. Trustees, independent examination involves before understanding what is involved, trustees explanations ready to assist the examiner to

The second part of this guidance, the Director examiner. Whether acting as a volunteer or and they must follow certain steps in carrying out particular matters once they have finished. This guidance takes the examiner through the every stage.

Whilst in most cases the examiner will be required to be a qualified accountant to carry out a proper examination, ability and knowledge to follow the Directions is required by the Regulations. Where gross income is more than £10,000, the examiner must be a member of a listed body listed in the Charities (2005) Regulations.

Where accruals accounts are prepared the examiner should be familiar with the 'Statement of Recommended Practice: Accounting for Charities (2005)', otherwise known as the Statement of Recommended Practice. The examiner should have experience to carry out a competent examination if the charity is preparing accruals accounts.

Examiners are therefore recommended to read the Directions for independent examination, the Charities (2005) Regulations and the Statement of Recommended Practice about carrying out their work.

To which accounting periods does this guidance apply?

This guidance has been updated for changes introduced by the Charities Act 2006 (the 2006 Regulations) and the Charities (2008) Regulations (the 2008 Regulations) and should be applied to eligible small charitable companies incorporated after 1 April 2008. The references provided apply from 6 April 2008.

Guidance for trustees: what to prepare, who can do it and how to go about appointing an examiner

What to prepare? The requirement to prepare accounts. Trustees should read Charity Reporting and requirements for a Trustees' Annual Report. Details are also provided about the information to be included in the accounts.

Small charities, which are not charitable companies, should prepare receipts and payments accounts or accruals accounts. Receipts and payments accounts offer a simple way of recording income and expenditure. Receipts and payments accounts are simply year reconciling cash and bank balances and any other assets or liabilities at the year end. Receipts and Payments Accounts Pack (CC1) provides details about receipts and payments accounts. The statement of financial position should be prepared at the year end.

receipts and payments accounts, and state a worked example using the pack called 'St

All charitable companies must prepare accr of more than £100,000 in a financial year accordance with the SORP. However, register their own SORP and should use that instead unlikely to be eligible for independent examination

Accruals accounts are not simply a form of received by the year end) and creditors (must also include the cost or valuation of a of investments, the impairment of function example, accounting for pension arrangements accounting than receipts and payments and Board in accounting standards and interpret also comply with the accounting requirements

For charities not requiring a statutory audit, company charities and our publication Accounts, Trustees' Annual Report and examination For both company and non-company charities our website.

What is an independent examination?

Independent examination was introduced for trustees of smaller charities to opt for this system

An independent examination provides an examination with the relevant ability and experience, except of one of the bodies listed in the 1993 Act form of scrutiny than an audit and provides out. What the examiner must do is set out in the 2008 Regulations.

An examiner, in their report, is only required things have not been done by the charity. The examiner is not acting as an auditor and to test the internal financial controls operating

An examination involves a review of the accounts presented with those records. It is unusual items or disclosures identified. It is an item in the accounts is checked against necessary where significant concerns are explanations cannot be obtained from the trustees

In the examiner's report, the examiner is come to their attention as a result of the examination requirement than that of an audit. An audit statement of opinion on the accounts. In practice accounts show a 'true and fair view'.

Where a significant concern relating to the understanding of the accounts remains unresolved examiner's report come to the examiner's attention (see Direction 10). If a matter is identified likely to consider using our enquiry powers on that matter to the Commission in addition

The legal framework: What are the thresholds for independent examination of any changes. The thresholds detailed below are calculated in accordance with the Commission's guidance.

The thresholds for independent examination of any changes. The thresholds detailed below are calculated in accordance with the Commission's guidance.

For non-company charities with accounting periods ending on or after 31 March 2008, the thresholds for statutory audit are:

gross income of more than £500,000; or
gross assets of more than £2.8 million where the charity's gross income exceeds £100,000 the chart in Appendix 2 sets out the steps for carrying out an independent examination.

Charities below these thresholds for audit may be exempted from audit if their governing document requires otherwise. The charity's governing document should state if the gross income for the year in question is less than the thresholds.

Where the gross income of the charity exceeds the thresholds, the 2006 Act introduced a new requirement for independent examination. The thresholds listed in the 1993 Act and are also set out in the Commission's guidance.

This guidance also applies to small charities with accounting periods ending on or after 31 March 2008 which are not required to have a statutory audit. Charities which are exempt from audit exemption under company law may opt to have an independent examination on the same basis as non-company charities, their accounts still remains subject to company law requirements where appropriate.

What is the legal framework for an independent examination?

The 1993 Act made provisions for regulation of charities, including the requirement to publish Annual Reports and the duties of charity auditors. The 2006 Regulations and apply to accountants and auditors. The 2008 Regulations provides for some form of independent scrutiny. The 2006 Act provides for a full requirement for an audit for charities registered with the Commission and those charities which are not required to have an audit.

The 2006 Act introduced a new legal duty on charities to have an independent examination of their accounts where, during the course of the activities or affairs of the charity, or of any other matter in connection with the charity, the charity believes that the matter is likely to be material to the charity's financial position. The Commission's guidance explains the legal duty, gives guidance on how to carry out an independent examination and provides a template for the report.

Where can I find the Regulations?

The 1993 Act, the 2006 Act and the 2008 Regulations are available from the Office of the Charity Commission. The 2006 Act and 2006 Regulations are available on-line.

Checking for other external scrutiny requirements

Having checked whether the charity's gross income exceeds the thresholds, there are a number of additional points for charities to consider when carrying out their work.

An audit may be needed for other reasons in addition to the requirements of the 2006 Act.

Charities should check their governing document under the charity's governing document (see Appendix 2);

under another statutory or regulatory regime; or
charities; or
a requirement placed on the charity by a funding body.
Trustees may also choose an audit if they prefer. An audit involves and due to develop awareness that an audit is likely to be considered

Charities that are incorporated under company law may include an audit requirement. If not, charities with the additional accounting and reporting requirements of charitable companies are responsible for incorporating the Trustees' Annual Report, containing the accounts, into the company's annual general meeting.

Who can carry out an independent examination?

Section 43(7)(a) of the 1993 Act allows the appointment of an independent examiner. Trustees should take all the steps they need to take in order to ensure that an examiner should also consider the following

The independent examiner

The charity trustees should take steps to ensure that the examiner therefore consider carefully the suitability of

An independent examiner as described in section 43(7)(a) of the 1993 Act is "a person reasonably believed by the charity trustees to be competent to carry out an examination of the accounts". Other than being a person who is a member of one of the bodies listed in the rules of that body to undertake the role of independent examiner

Institute of Chartered Accountants in England and Wales
Institute of Chartered Accountants of Scotland
Institute of Chartered Accountants in Ireland
Association of Chartered Certified Accountants
Association of Authorised Public Accountants
Association of Accounting Technicians
Association of International Accountants
Chartered Institute of Management Accountants
Institute of Chartered Secretaries and Administrators
Chartered Institute of Public Finance and Accountants
Fellow of the Association of Charity Independent Examiners
Charity trustees are entitled to pay reasonable remuneration if they are unable to obtain the services of an independent examiner or if they pay such remuneration and regard it as a proper expense of the charity.

An independent person

Independence is important because this means that the examiner has no close personal relationships with the trustees. For an examiner to be independent that independence should not mean that it might inhibit the impartial conduct of the examination. It does not mean that the work and so the person who is the charity's independent examiner cannot be a member of the charity. It does not mean that the added quality of personal enthusiasm and faith in the charity's work is lost.

Where a potential independent examiner is a member of the charity's congregation, provided they have not been a member of the charity, for example by serving on a committee, then they are not connected with the charity trustees, then they are not disqualified. They must have the necessary ability, experience and qualifications to carry out the role of independent examiner. A resolution in an annual general meeting would not prevent the appointment of an independent examiner.

although active participation in the administ

Whether a connection with the charity affect
the following persons will not normally be co

a) the charity trustees or anyone else who is

b) a major donor to or major beneficiary of t

c) a child, parent, grandchild, grandparent, l
of any person who falls within sub-paragraph

Requisite ability

In the House of Lords' debate on the Chariti
examiner must obviously be competent for
methods, but he need not be a practising
society managers, local authority treasurer:
examiners".

The quality of the evidence of ability which i
receipts and payments basis or an accruals l

It is recommended that trustees of chariti
selecting a person who is a member of one
person, who demonstrates a good unde
knowledge of the SORP.

The majority of charities have a gross inc
company law, are able to prepare simple
straightforward and provides a simple altern
smaller charities. Knowledge of accounting
payments accounts.

While previous experience will be very helpful with financial awareness and numeracy skills they have read and understood this guidance accounts.

Whether receipts and payments accounts familiarity with the certain basic principles (restricted) and capital funds (permanent assets) of trustees, and the role of the charity's governing body refer to our publication *The Essential Trustee*.

Some charities have a trading subsidiary without commercial trading in order that any profit is gross income of the group, i.e. the gross income after eliminating intra group transactions), except for group accounts. Where the group accounts are prepared and audited.

If group accounts were prepared below the examination of those accounts would be contained in this publication although the principles for charity and the examiner. For more information see SORP and for details of the preparation thereof (CC15a).

Charity trustees should also satisfy themselves as to the charity in question which might include the following:

an involvement in the financial administration; acted successfully as an independent examiner; and relevant practical experience in accountancy.

Selection procedures

Before appointing an examiner, we recommend that:

they are satisfied as to their independence of interest; where accruals accounts are prepared that they undertake their work including knowledge of the requirements (for example, for an examiner; and where appropriate they hold professional indemnity insurance. Where appropriate, the trustees may ask for qualifications and this is particularly relevant for the 1993 Act or accounts prepared on an accruals basis.

By obtaining this assurance, whether by evidence that trustees can demonstrate they have paid professional fees for ability and practical experience". Where the letter of engagement setting out the basis of the engagement should recognise, and not limit the scope of the engagement.

Whilst not all examiners have to hold a professional qualification, a person suitable for the circumstances of the engagement, guidance concerning the requisite ability and experience.

Charity trustees should discuss fully with the examiner their expectations. They should ensure that the person is familiar with the Charity Commission's Discharge of Duties.

provide an independent examiner's report. \n 1993, the examiner should also be conversant with the charity's accounts and the SORP.

Where the charity is a small company, the examiner should refer to the Companies Act 2006 as to the form and content of the SORP.

Charity trustees who follow these guidelines and make any references, can be satisfied that they have the ability and experience to undertake a competent examination.

A competent examination is one that is in accordance with the Directions for independent examination.

Timely filing of the Trustees' Annual Report

Where the charity's gross income exceeds the small profits threshold, the Commission. The trustees are responsible for ensuring that the independent examiner's report is submitted by the end. Trustees of charitable companies should submit the report within months of the financial year end and may find it helpful to agree a timescale for the filing of the Annual Report, accounts and supporting records well enough to allow the examination to be completed by the filing deadline.

The trustees should agree a timescale for the filing of the Annual Report, accounts and supporting records well enough to allow the examination to be completed by the filing deadline.

If the trustees want the independent examiner to be involved as part of the engagement. If the trustees are unable to do so before the deadline for filing expires setting a likely date filing will be made.

Guidance for the examiner: what is involved in an independent examination?

Preparatory work

It is important that examiners understand that they must have the necessary ability and experience to undertake what is involved. The first step is for the trustees to have to do, and describes what is involved in an independent examination.

Members of professional bodies are recommended to accept the appointment, whether or not the professional body may differ in its requirements from those of the Commission.

When charging a fee, examiners should also be aware of the services and so must be conversant with, and aware of the Proceeds of Crime Act 2002. These provisions apply to the fee, whether a member of a professional body or not. For further sources of information, refer to Appendix 1.

Familiarity with the Directions and the Regulations

The 2008 Regulations and Directions are made under the Charities Act 2006. Those charities currently excepted from the requirements for the content of the independent examination are consistently applied. The Directions are made under the Charities Act 2006. To understand what is involved, each Direction should be read. The guidance that follows each Direction is intended to help trustees to understand what is involved in an independent examination.

meet the requirements of the Directions.

The purpose of this guidance is to help examiners understand what they have to do and what they have to consider in this guidance before starting an independent examination.

The examiner's report

The examiner's role is an important one and also gives the examiner an opportunity to express their opinion on the charity's accounts. The examiner's report, which is addressed to the charity, is a key part of the law.

The examiner's report must meet all the requirements provided in Appendix 4 are not mandatory and the report covers all the requirements of the 2008 Regulations are set out in Regulation 31 of the 2008 Regulations. The examiner must be considered when making a report.

The independent examination report for a charity is different from that of a non-company charity because it must be made by 2006. The examiner of a charitable company must also consider the accounting requirements of small companies.

Where the trustees have opted to prepare consolidated accounts and any examination would be based on the charity law. The examiner will need to develop a plan for the voluntary examination of group accounts reflecting the accounting standards and consolidation principles. If the group's aggregate gross income exceeds £1 million, the accounts must be audited.

The first part of the examiner's report contains information about the charity is eligible for independent examination.

The first part of the examiner's report must include the name of the charity and period covered; the eligibility of the charity for an independent examination; that the examiner has followed the Directions; the examiner's responsibility to note if particular matters attract attention; the basis of the examiner's report, which includes the matters involved; where the trustees have obtained a dispensation from the examiner refers to this fact; and the examiner's name, address and any relevant qualifications. If the gross income exceeds £250,000, the qualification held when the report is made. The second part of the report confirms whether the accounts are in accordance with the SORP. Unlike an audit there is no opinion given by the examiner confirms whether or not anything is wrong with the accounts.

The second part of the report must include the following matters: proper accounting records have not been kept; records have not been kept; the accounts do not accord with such records; where accounts are prepared on an accrual basis; under the 2008 Regulations or if a charitable company is not consistent with the SORP; and any matter which the examiner believes is relevant to the understanding of the accounts. Matters that the examiner must report include:

• the name of the charity and period covered;

material expenditure or action contrary to the interests of the company or failure by trustees to provide information and evidence that accounts prepared on an accrual basis are a true and fair Report and in the case of a charitable company, the Report is in accordance with the charity's purposes. The examiner's report must be signed by the examiner. If the company may be added, the appointment of the examiner must be added to the company. Where an electronic submission is made, a copy with a typed signature.

Exercising judgement

The examiner's work involves exercising judgement. The examiner must obtain evidence when preparing their report. This evidence must be obtained from sources which are important terms for the examiner. The examiner must consider as to the relevance of a matter to their report.

Material/ materiality: Materiality is the judgement as to whether a misstatement would affect the reader's understanding of the financial statements. The importance of the item, error or misstatement is judged in relation to the effect is material to how an item or transaction is treated. If the policy does not conform with the SORP, then the misstatement is applied to transactions or items in the accounts. The accounts.

In this guidance materiality is used in connection with the underlying judgements, accountancy principles and the accounts.

Significant: This is a term that is used in the context of the analytical review carried out by the examiner. With respect to accounting records, the reviewer must consider whether the records are complete or the extent to which missing. Regarding the analytical review, it requires the reviewer to consider significant in terms of its size or importance. The reviewer must consider the examiner has made in their review is significant. Significant amounts or minor matters will not be significant. Often significance can only be determined after the review or has finished their work and is relevant. A matter can be significant even if it's not material.

Material significance: This is a particular type of material significance to the Commission. The Commission considers the significance to the regulatory functions of the Commission. The matters to be material are listed in section 11 of this guidance.

What are the expectations of the Commission?

The Commission expects all examiners to have the necessary skills, knowledge and their ability and to make their examiner's report. The examiner must ensure that their work to be alert to any matters of relevance.

The Commission is aware that volunteer examiners are provided for the benefit of the sector. In the event of a conflict of interest, the Commission will be carried out by a volunteer, the Commission will be proportionate in our approach when considering the conflict of interest. The Commission has acted honestly. This stance is consistent with the Commission's role. Do not have particular professional skills.

Where the examiner is charging a fee or requesting that these services to be provided to a company.

expect those services to be provided to a pro

will demonstrate appropriate technical know
are prepared;

carry out their work fully in accordance with
will be well placed, by virtue of their ability
material significance to the Commission.

For charities with a gross income exceeding
an accountancy body listed in the 1993 Act
skill and expertise required in examining
Commission expects the examination of t
standard. Our expectation is that the examir

will demonstrate appropriate technical know
carry out their work fully in accordance with
will be well placed, by virtue of their ability
matters of material significance to the Comr
Overview of the Charity Commission's Direct

What are the expectations of the Comr
The Commission expects all examiners to h
their ability and to make their examiner's re
out their work to be alert to any matters of r

The Commission is aware that volunteer ex
the benefit of the sector. In the event of a
carried out by a volunteer, the Commissio
proportionate in our approach when consid
has acted honestly. This stance is consistent
do not have particular professional skills.

Where the examiner is charging a fee or n
expect those services to be provided to a pr

will demonstrate appropriate technical know
are prepared;

carry out their work fully in accordance with
will be well placed, by virtue of their abilit
material significance to the Commission.

For charities with a gross income exceeding
an accountancy body listed in the 1993 Act
skill and expertise required in examining
Commission expects the examination of t
standard. Our expectation is that the examir

will demonstrate appropriate technical know
carry out their work fully in accordance with
will be well placed, by virtue of their ability
matters of material significance to the Comr

Overview of the Charity Commission's I
The Charity Commission's Directions provi
duties of the examiner must be met. There a
out an examination of accrual accounts and
accounts. In addition, all examiners shoul
attention which give rise to a legal duty to r

Although only examiners of accounts prepar
Report for consistency with the accounts,
Trustees' Annual Report helpful in undertakin

Resources to assist trustees, the preparers of accounts. The Commission has a number of publications freely available from our web site. These are listed in Appendix 7.

The Charity Commission's Directions concerning the Accounts of Charities

an explanation of the objective of each of the Directions, guidance on the circumstances which give rise to the need for the Directions, guidance on operational procedures and monitoring of compliance with the Directions.

The Directions (which must be followed) are set out in print below. As with any guidance, the examiners must be aware that there may be circumstances that may arise in the course of examination that may require the examiners to act in a context of their work.

All references to 'sections' of the Charities Act 1993 of the 1993 Act, as amended by the Charities Act 2006 of the Companies Act 2006 as they apply from 1 July 2007.

Although only examiners of accounts prepare the Annual Report for consistency with the accounts, the Trustees' Annual Report helpful in undertaking the examination.

Resources to assist trustees, the preparers of accounts. The Commission has a number of publications freely available from our web site. These are listed in Appendix 7.

The Charity Commission's Directions concerning the Accounts of Charities

Set out below are:

an explanation of the objective of each of the Directions, guidance on the circumstances which give rise to the need for the Directions, guidance on operational procedures and monitoring of compliance with the Directions.

The Directions (which must be followed) are set out in print below. As with any guidance, the examiners must be aware that there may be circumstances that may arise in the course of examination that may require the examiners to act in a context of their work.

All references to 'sections' of the Charities Act 1993 of the 1993 Act, as amended by the Charities Act 2006 of the Companies Act 2006 as they apply from 1 July 2007.

Direction

pt from external scrutiny

HAWA

0

B Planning

B 2 Indeper

external scrutiny

verified 31101

t from external scrutiny so the following notes

England & Wales ON

[Or for charities in Scotland - see OSCR guidance](#)

ited companies which are also Charities

t are required either by statute or by professional guidelines

quially as a Compilation Report

27/02/07

an Independent Examination - Checklist for incorporated charities

is whose gross income as defined (ie NOT turnover) on an annualised basis is between £90, s years, then the charity is subject to audit and this process cannot apply.

after 27/02/07 *of the Controller of HMSO*

£500,000 on a temporary basis only. When the Companies Act 2006 is brought into force laced by Corporate Independent Examinations. When the figure of £250,000 is referred to be

15/02/07, even if the gross income is below £500,000 an audit is still required if gross assets e

process reference should be made to the Reporting Accountant's checklist.
ns of the Charities Act 1993 or the Charities Act 2006 - depending on the context

is not a part of the text of CC31 or CC32

can only be carried out by a qualified accountant and is subject to statutory requirements ur ndent examinations for accounting periods commencing on or after 1st April 2008

subject to statutory audit

missioners' directions

tory audits, but there are exemptions available to none statutory audits (which includes Rep

ctions covers what is an independent examination, who can do it,

hat qualifications and experience are required and so on, and a

CC31 is essential to the effective conduct of an examination

[CC32 Directions & Guidance to Examiners from 01/10/08](#)

[6. Analytical procedures](#)

[7. Form and content of accounts](#)

[8. Accounting policies, estimates and judgements](#)

[9. Trustees' Annual Report](#)

[10. Examiner's Report](#)

[11. Statutory duty to report to the Charity Commission](#)

[heet](#)

Appendices

[1. Calculating gross inc](#)

[2. Flowchart for eligibil](#)

[3 Charities Based in En](#)

[4. Example examiner's](#)

[5. Identifying matters c](#)

[Sample lett](#)

[6. Glossary of terms](#)

Guidance

Note that all incorporated accounts must be accruals accounts - receipts and payments accounts are not permissible.

Guidance

1.1 Trustees may elect for independent examination under section 43(3)) and for non-company charities only, the preparation of receipts and payments accounts under section 42(3)). For either election to be valid, the charity must be within the relevant income bands specified by legislation.

The examiner should take reasonable steps to confirm:

the charity's gross income for the financial year or aggregate value of assets does not exceed the threshold for independent examination. If gross income exceeds £500,000 or gross income exceeds £250,000 and the aggregate value of assets (before deduction of liabilities) exceeds £3.26 million then an audit is required;

where the charity is a parent charity with one or more subsidiaries (eg. a trading company) that the aggregate gross income of the parent charity and its subsidiaries after consolidation adjustments does not exceed £500,000 as above this threshold group accounts will be required which will require an audit;

where the charity operates branches and these branches are part of the charity (and are not separately registered charities) that any income received by the branches has been included in the gross income of the charity;

if receipts and payments are being prepared, that the charity is not a company incorporated under company law and that the gross income received in the period is less than £250,000;

whether the gross income exceeds £25,000 because below this threshold no examination is required by law;

whether the charity's governing document requires any form of professional audit; and

whether any grant condition demands an audit of the accounts.

1.2 Carrying out these procedures at an early stage should prevent the work of the examiner being duplicated by professional audit which would add to the expense for the charity. Where the charity is not eligible for independent examination the accounts should be referred back to the trustees to appoint an auditor where the threshold is exceeded or to consider a voluntary

Notes and cross i

[Return to main menu](#)

**If gross income e:
requires that a 'p
carried out. The
qualifications an
requirements are i**

- Institute of Chart
- Institute of Chart
- Institute of Chart
- Association of Ch
- Association of Au
- Association of Ac
- Association of Int
- Chartered Institu
- Institute of Chart
- Chartered Institu
- a Fellow of the A

**The 2006 Act rem
required that, eve
below the audit t
accounts audited
independent exam
financial years. 1
commencing befor**

Appendices

[1. Calculating gross inc](#)

the threshold is exceeded or to consider a voluntary examination where the charity's gross income is below £25,000.

L.3 Gross income for threshold purposes should be calculated in accordance with the methods set out in **Appendix 1**. If accounts are prepared on the accruals basis then the level of income should be considered on the accruals basis. Where accounts are prepared on the receipts and payments basis then the level of income should be considered on the basis of money actually received. Examiners should also familiarise themselves with the various other threshold bands and their effect on the accounting procedures for charities.

L.4 The examiner should consider at an early stage of the examination the level of income disclosed by the accounting records and by the trial balance. The examiner does, however, need to remain alert to any additional information which may come to attention during the course of the examination which indicates that an income threshold has been crossed.

L.5 The reasonable steps taken to confirm the income of the charity and the outcome of that research should be documented in accordance with Direction 2.

L.6 Where the trustees have requested and obtained in advance from the Commission approval for an independent examination instead of an audit, the examiner should obtain a copy of the approval letter from the Commission and make reference to it in the examiner's report.

L.7 The thresholds for audit, independent examination and for receipts and payments accounts are kept under review. The Government has provided for a review of these thresholds following the Charities Act 2006 and consequently it is important to confirm the thresholds that apply. It is therefore recommended that prior to the independent examination taking place that the thresholds are confirmed. Details of all current thresholds can be found by viewing the accounting our website's publication pages.

are extensive electronic working paper file which can be an examiner to fully document all aspects of the work of an at professional standards.

paid.com

Guidance

Guidance

2.1 The examiner's working papers should provide details of the work undertaken and support any conclusions reached, and record any matters of judgment (see Direction 8) which may arise. Working papers should normally be retained by the examiner for six years from the end of the financial year to which they relate, and would include:

[Return to main menu](#)

Notes and cross

applies to all forms

[Return to main menu](#)

include:

a communication with the trustees which confirms their appointment as the independent examiner. Independent examiners charging a fee or receiving any form of payment should prepare a letter of engagement;

a letter of engagement, where appropriate, from the independent examiner to the trustees, together with evidence that this has been accepted by the trustees (for example, a copy of the engagement letter signed by a representative of the trustees);

relevant information extracted or obtained from the governing document, trustees' meeting minutes and a record of discussions with the charity trustees and the charity's staff;

notes as to how any areas of concern have been resolved, including meetings with trustees and charity staff, together with details of any verification procedures used;

where verification procedures have been used, details of checks or vouching carried out during the examination, with conclusions reached and any areas of concern identified;

where items are added together as a single entry in the accounts, schedules showing the breakdown of accounting items that have been aggregated for accounts disclosure purposes;

copies of any trial balance and the accounts;

the Trustees' Annual Report where accruals accounts are prepared (recommended but not required for receipts and payments); and

in exceptional circumstances, copies of any written assurances that the examiner required of the trustees confirming amounts included within the accounts.

2.2 Where the examiner has cause to resign or is unable to complete their independent examination, they should consider the circumstances carefully and decide if there is a duty to report to the Commission, for example, if they have been prevented from completing the examination or have been obstructed by trustees or charity staff in carrying out their examination. Even if there is no duty to report, the examiner may decide that they have identified matters which they wish to report because they consider them to be relevant to the work of the Commission. Further guidance on reporting matters to the Commission is provided in **section 11** and **Appendix 5**.

Appendices

[5. Identifying matters c](#)
[Sample lett](#)

**ore extensive electronic working paper file which can be
an examiner to fully document all aspects of the work of an
t professional standards.**

paid.com

Guidance

Notes and cross i

Guidance

3.1 For a proper examination to be carried out it is important for the examiner to have an understanding of what the charity is aiming to do and how it goes about doing it. The examiner will need to know about the operations, structure and objectives of the charity. This understanding will help the examiner to plan their independent examination by identifying major projects and important activities of the charity, possible problems or concerns and to provide background to their analytical review. The steps taken by an examiner would normally include:

consideration of the governing document of the charity, paying particular attention to the charity's objects, powers and obligations; consideration of any matters which would give rise to a statutory duty to make a report to the Commission (see **section 11** and **Appendix 5** for guidance);

discussions with trustees and, where appropriate, the charity's staff, to understand the activities, structure, aims and objectives by which the charity seeks to achieve its objects;

discussions with the trustees and, where appropriate, the charity's staff, about the activities of the charity in order to gain an insight into any special circumstances and problems affecting the charity; reviewing the minutes of trustees' meetings to find out about details of major events, plans, decisions and changes to the trustee body; and

obtaining details of the accounting records maintained and methods of recording financial transactions.

3.2 Normally a discussion with one of the trustees and the person who prepared the accounts should provide all the information or explanations required. However if during the independent examination a lack of formal trustee meetings, or of an absence of minute keeping or appropriate record keeping, or over-reliance on a key individual, is identified then the examiner may need to confirm or discuss significant matters with two or more of the trustees and/or members of the charity's staff to gain the necessary background information for the examination.

more extensive electronic working paper file which can be used by an examiner to fully document all aspects of the work of an examiner to meet professional standards.

paid.com

Guidance

Notes and cross i

Guidance

4.1 The charity trustees are responsible for maintaining the

[Return to main menu](#)

Appendices

[5. Identifying matters c](#)

[Sample lett](#)

[Return to main menu](#)

accounting records. This is an important responsibility and an absence of well organised and complete accounting records gives rise to a significant risk of misstatement and loss from fraud, theft, or the misapplication of charitable funds.

4.2 The examiner is required to review the accounting records with a view to identifying any material failure to maintain such records in accordance with the trustees' legal duty. A simple review should indicate whether records or vouchers have been kept to support the accounts and whether they appear reasonably complete. Further evidence of the completeness of those records may come from any vouching undertaken following the analytical review. For trustees of non-company charities their duty is under section 41(1) of the 1993 Act. For trustees (normally the directors) of charitable companies their legal duty is under section 386 of the Companies Act 2006.

4.3 The review procedures are not aimed at identifying the occasional omission or insignificant error, but at any gross failure to maintain records in a manner consistent with statutory requirements.

4.4 Accounting records should be well organised and capable of ready retrieval and analysis. The records may take a number of forms, for example book form, loose-leaf binder or computer records.

4.5 The accounting records should:

- be up to date;
- be readily available; and
- provide the basic information from which the financial position can be ascertained, not only at the year end, but also on any selected date.

4.6 The accounting records should contain:

- details of all money received and expended, the date, and the nature of the receipt or expenditure; and
- details of assets and liabilities.

4.7 Smaller charities do not have to maintain nominal ledgers to record assets and liabilities, and in such instances the requirements can generally be met by maintaining a simple record of transactions and files for unpaid invoices and amounts receivable. A record of stocks and fixed assets is also generally necessary to meet the accounting requirements.

4.8 Charitable companies are required by section 386 of the Companies Act 2006 to maintain accounting records that contain:

- entries from day-to-day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; and
- a record of the assets and liabilities of the company.

4.9 Charitable companies dealing in goods must also maintain stock records, the particular requirements for which are set out in section 386(4) of the Companies Act 2006.

are extensive electronic working paper file which can be used by an examiner to fully document all aspects of the work of an auditor to professional standards.

paid.com

Guidance

Guidance

5.1 It is necessary to compare the accounts with the underlying accounting records to be satisfied that the accounts properly show what income the charity has received and how it has spent its charitable funds and where transactions relate to restricted or endowment funds that these have been properly recorded and identified in the accounts.

5.2 Where accounts are prepared on the accruals basis, all balances in the accounts will need to be compared with the trial balance or any nominal ledger maintained.

5.3 Where accounts are prepared on the receipts and payments basis, a direct comparison with the cash records of the charity should be carried out if no nominal ledger is kept. Records for receipts and payments accounts may amount to bank statements, a file of receipts and invoices, and a simple listing of transactions in a book, or on paper, or entries in a spreadsheet of amounts paid and received with an explanation by each amount.

5.4 Where entries for transactions are not made directly into the nominal ledger, test checks will also be necessary of the posting of entries from books of prime entry (eg cash book, any sales or purchase ledgers or other day books recording transactions) to the trial balance itself. Similar checks are necessary even where accounting records are maintained by using computer accounting packages.

5.5 A review of bank reconciliations, payroll summaries and control accounts prepared will provide a useful check as to the completeness of posting from books of prime entry.

5.6 There is no requirement for accounting entries to be checked against source documents (eg invoices, supplier statements, purchase orders, gift aid records etc) unless concerns arise during the course of the examination or following the analytical review (Direction 6) which cannot be resolved by seeking explanations or the explanations given are insufficient.

5.7 Whilst the charity trustees are responsible for the preparation of accounts, on occasion the examiner may also prepare the statutory

Notes and cross references

[Return to main menu](#)

applies to all forms of

accounts on behalf of the trustees. The preparation of accounts will not generally impinge on independence provided the examiner ensures that the requirements of the Directions are met and provided that:

the accounting records have been maintained by another person; and the examiner has had no direct involvement in the day-to-day management or administration of the charity.

are extensive electronic working paper file which can be an examiner to fully document all aspects of the work of an at professional standards.

paid.com

Guidance

Notes and cross i

[Return to main menu](#)

Guidance

6.1 The analytical review is an important part of the independent examination. For receipts and payments accounts the analytical review involves comparing the analysis of the cash received and the cash spent in the current year with the previous year to identify any significant changes from year to year. For accruals accounts the analytical review involves both the Statement of Financial Activities and the balance sheet with the analysis comparing both the income and the expenditure and the movement in balance sheet values in the current year with the previous year. The examiner of accruals accounts will be looking for material values which require review.

6.2 It is important that the examiner looks carefully at the accounts to see if they reveal any significant or unusual items, unexpected fluctuations, or inconsistencies with other financial information. It is important the analytical review is documented carefully in the examiner's working papers.

In carrying out the analytical review, steps taken would normally include:

comparing the accounts with those for comparable prior periods;

comparing the accounts with any budgets or forecasts that have been produced;

considering whether incoming resources are consistent with known fundraising sources, for example the history of cash collections or fundraising events, grants received, income from trading, or income from the sale of donated goods;

considering whether the spending of charitable resources is consistent with the overall details and the activities and the objects

consistent with the payroll details, and the activities and the objects of the charity - it is important to have obtained a proper understanding of the nature of the charity's activities and affairs for this aspect of the review to be successful;

considering whether the liabilities and current assets disclosed are consistent with the scale and type of activities undertaken, or in the case of receipts and payments accounts whether all significant assets and liabilities are listed;

considering whether fixed assets investments are producing income consistent with the nature of assets held;

considering whether any tangible fixed assets held are consistent with the scale and type of activities undertaken by the charity;

and where accruals accounts are prepared confirming with the trustees that they are satisfied the charity is a going concern and that there are no post balance sheet events requiring adjustments to be made to the accounts or disclosure in the notes to the accounts.

6.3 Where analytical review procedures identify any unusual items, unexpected fluctuation or inconsistency then explanations should be sought from the charity trustees or, where appropriate, the charity's staff.

6.4 Only if the explanations provided by the charity trustees, or where appropriate the charity's staff, do not satisfy the examiner, will additional procedures be necessary. It is important to document in the working papers what items the examiner has found which require further explanation or review and any additional procedures undertaken to confirm those items or matters. Such procedures may include:

physical inspection of a tangible fixed asset;

verification of title to an asset;

inspection of third party documentary evidence (eg invoice, contract or agreement) to verify an expense or liability or to confirm an amount of income received or receivable;

third party certification of a bank balance, or other asset held including the custody of investment certificates; and

checking of a post year end receipt or payment to confirm recoverability of a debt or the amount of a liability.

6.5 A comprehensive list of analytical procedures, and of additional procedures where concerns arise, is beyond the scope of this publication, and will to an extent be an area in which the examiner will need to exercise judgment and to draw on experience as to what is reasonable given the size and nature of the charity's activities.

are extensive electronic working paper file which can be used by an examiner to fully document all aspects of the work of an auditor against professional standards.

paid.com

Guidance

Notes and cross i

[Return to main menu](#)

Guidance

7.1 By far the majority of non-company charities have a gross income below £100,000 and are eligible to prepare receipts and payments accounts. A minority of charities, those with a gross income in excess of £100,000 and all charitable companies irrespective of their income, should prepare accruals accounts in accordance with the SORP. On occasion the examiner may encounter receipts and payments accounts which are accompanied by a balance sheet instead of a Statement of Assets and Liabilities. Provided that no non-cash items have been put through the receipts and payments accounts the examiner should treat those accounts as receipts and payments accounts, otherwise the accounts should be regarded as accruals accounts and should be examined accordingly.

7.2 The 2008 Regulations draw heavily on the recommendations of the SORP. Where accruals accounts are prepared the examiner will require access to the SORP and an understanding of its principles to ensure compliance with the 2008 Regulations.

7.3 Where accounts are prepared under section 42(1) (the accruals basis), the 2008 Regulations require the accounts to be prepared in accordance with the method and principles of the SORP. The SORP requires all charities preparing accruals accounts to prepare a Statement of Financial Activities, balance sheet, and accompanying notes to the accounts. Charities eligible for independent examination enjoy greater flexibility and Appendix 5 of the SORP details all the concessions that are available for smaller charities preparing accruals accounts.

7.4 The 2008 Regulations concerning the content of accounts do not apply to the accounts of charitable companies. The accounts of charitable companies must be prepared in accordance with section 396 of the Companies Act 2006. The trustees of a charitable company must prepare accounts to give a 'true and fair' view and this will generally involve compliance with accounting standards and the SORP. Financial Reporting Standard 18, Accounting Policies requires particular disclosures to be made and explanations to be provided where a SORP has not been followed.

7.5 The examiner should review accruals accounts in sufficient detail to be able to identify any significant non-compliance with the 2008 Regulations and the methods and principles of the SORP. This will involve a review of the format of the Statement of Financial Activities and Balance Sheet and the inclusion of necessary notes to the accounts. These review procedures should be sufficiently detailed to enable the examiner to decide whether or not any non-compliance with the 2008 Regulations or the SORP should be identified in the

examiner's report.

7.6 A set of compliant accounts in the SORP format is available for non-company charities in our Accruals Accounts Pack (CC17).

7.7 For charitable companies, section 396 of the Companies Act 2006 requires the preparation of individual accounts. In the case of not-for-profit undertakings, including charities, the Companies Act 2006 section 474(2) substitutes an income and expenditure account for the profit and loss account. In addition a balance sheet is required and additional information is to be provided in the notes. The SORP requires all charities preparing accruals accounts to prepare a Statement of Financial Activities, balance sheet, and accompanying notes to the accounts. A charitable company will therefore usually submit a Statement of Financial Activities that incorporates an income and expenditure account, it may however opt to submit both an income and expenditure account and a Statement of Financial Activities. In such cases the examiner will review the two statements for consistency.

7.8 The 2008 Regulations do not specify the form and content of accounts prepared on a receipts and payments basis. The Commission does provide pro forma layout for such accounts in our Receipts and Payments Accounts Pack (CC16).

more extensive electronic working paper file which can be used by an examiner to fully document all aspects of the work of an accountant to meet professional standards.

paid.com

Guidance

Guidance

8.1 Receipts and payments accounts report cash book transactions in the period and so are not affected by this Direction. If accounts are prepared on the receipts and payments basis under section 42(3), the only fundamental accounting concept which applies is that of consistency of presentation within the accounts. Accounting policies and judgmental issues have less relevance since the receipts and payments account is simply a factual record of money actually received and spent. The statement of assets and liabilities is a simple schedule of information.

8.2 Further guidance as to the form and content of receipts and payments accounts can be found in the notes included in our

Notes and cross references

applies to accruals accounts and receipts and payments accounts

[Return to main menu](#)

Receipts and Payments Accounts Pack (CC16).

8.3 Accounts prepared on an accruals basis involve the use of accounting policies that determine how transactions and events are reflected in accounts and estimates. Judgement may be necessary to arrive at monetary values to be included in accounts, for example the length of time over which an asset is to be depreciated.

8.4 Where accounts are prepared under section 42(1) (the accruals basis) or under the Companies Act 2006 section 396 the trustees prepare accounts to give a 'true and fair' view, the accounting policies adopted, and also any estimates or judgments made in preparing the accounts, may have a material effect on both the financial activities and state of affairs disclosed by the accounts. Such matters therefore require careful consideration by the examiner although the examiner does not have to form an opinion on whether the accounts give a 'true and fair' view.

8.5 The examiner should be satisfied that accounts are prepared on a basis consistent with the going concern assumption and accruals concept, and evaluate the accounting policies adopted and applied for appropriateness to the activities of the charity and consistency with the SORP. The accounting policies adopted should ensure a relevant, reliable, comparable and understandable accounts presentation.

8.6 Where the accounts are not prepared on a going concern basis, the examiner should consider the alternative basis upon which they are prepared and ensure that the basis of preparation is adequately disclosed in the accounting policies section of the notes to the accounts.

8.7 The examiner should evaluate whether the accounting policies adopted are consistent with the methods and principles set out in SORP. Where the accounting policies are not consistent with the SORP this should be drawn to the attention of the charity trustees and if the effect on the accounts is material, the matter should be reported in the examiner's report unless corrected.

8.8 Where accounts are produced under the Companies Act the trustees must prepare the accounts to give a 'true and fair' view. However, the examiner is not required to provide an opinion as to whether the accounts give a 'true and fair' view. Where accounting policies are not consistent with the SORP, this should be drawn to the attention of the charity trustees by the examiner, and the item(s) in question, if the inconsistency is material, should be reported in the examiner's report unless corrected.

8.9 The SORP requires a departure from its recommendations to be explained in the notes to the accounts of both company and non-company charities. A departure is only justifiable if it is necessary in order to give a 'true and fair' view and such circumstances will be rare. In the case of a departure the examiner will need to check that the explanation required by the SORP has been provided. Where a material departure has not been adequately justified or explained, the examiner should make a comment in their report.

8.10 The examiner must evaluate the reasonableness of any

estimates or judgments made in preparing the accounts where these are material to the accounts. Matters that may require consideration include:

transfers to or from restricted fund accounts;

valuation of gifts in kind;

valuation of fixed asset investments where no market prices exist;

estimates resulting from transactions not being fully recorded in the accounting records; and

where an activity based approach has been adopted, the allocation of costs between the various expenditure categories of the Statement of Financial Activities.

more extensive electronic working paper file which can be used by an examiner to fully document all aspects of the work of an auditor in accordance with professional standards.

paid.com

Guidance

Guidance

9.1 If accounts are prepared on the receipts and payments basis under section 42(3) there is no requirement placed on the examiner to consider the Trustees' Annual Report. The examiner may, nevertheless, find the annual report a useful guide to the activities of the charity.

9.2 The Trustees' Annual Report (or for a charitable company the combined trustees' and directors' report) provides a report of the charity's activities during the financial year. Our publication Charity Reporting and Accounts: The Essentials April 2008 (CC15a) sets out the information that should be contained in the Trustees' Annual Report and the legal requirements concerning the Trustees' Annual Report that apply to both company and non-company charities are set out in the 2008 Regulations.

Notes and cross references

[Return to main menu](#)

Applies only to charities that are not subject to the Charities Act 2006 but for receipt and payment accounts, the examiner should refer to the report a useful guide to the activities of the charity.

Required to identify any inconsistencies from the Charities Act 2006 and to confirm that the accounts are consistent with the information in the Trustees' Annual Report.

9.3 Procedures should be directed at identifying inconsistencies between the Trustees' Annual Report and the accounts which are misleading or which contradict the financial information contained in the accounts. For example, a review should identify where amounts stated in the Annual Report are not consistent with those in the accounts or the nature or scale of activities described are inconsistent with the level of activity disclosed in the accounts. The level of reserves stated in the Annual Report should be consistent with amounts disclosed in the charity's balance sheet.

9.4 Where inconsistencies are identified which are significant, this should be drawn to the attention of the charity trustees. If no appropriate amendment is made to the Annual Report then details of the matter should be provided in the examiner's report.

are extensive electronic working paper file which can be an examiner to fully document all aspects of the work of an at professional standards.

paid.com

Guidance

Guidance

10.1 The examiner's report is the outcome of an independent examination and is addressed to the trustees. It either confirms that all the matters the examiner is required to review as set out by the 2008 Regulations have been met, or identifies which requirements have not been met, together with any matters that need reporting for the benefit of the reader's understanding of the charity's accounts. The examiner needs to consider carefully the conclusions drawn from their examination, and the impact of these conclusions on their report. Appendix 4 provides illustrative examples of independent examiner's reports.

10.2 The 2008 Regulations set out the legal requirements for an independent examiner's report. An independent examination is not an audit and the examiner is required to consider a limited number of specified matters in their report and to confirm that nothing has come to their attention in the course of their examination which leads them to conclude that certain requirement have not been met. The report provides 'negative' assurance requiring the examiner to give an opinion only on a matter where they have found that a requirement has not been met. The matters to be reported on are listed in paragraph 10.4.

10.3 The first part of the examiner's report is a factual statement. In their examiner's report the examiner must state:

the examiner's name and address and the name of the charity concerned;

[Return to m](#)

Notes and cross r

applies to

[Return to m](#)

**The report she
produce a repor**

**a) complies with
reports**

**b) complies with
standards and
covered in a rep**

**but will need n
with these guid**

the financial year in respect of which the accounts to which the report relates have been prepared, and where the charity is a charitable company, that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006;

if the gross income exceeds £250,000, the qualification which enables him or her to act as an independent examiner;
any relevant professional qualification the examiner holds;

in the event of the independent examination being allowed by dispensation in place of an audit, the date when the Commission dispensed with the requirement for an audit;

that the report provided relates to an independent examination carried out under section 43 of the 1993 Act and that the examination has been conducted in accordance with the Directions given by the Commission.

10.4 After making these statements, the examiner must then state whether or not any matter has come to attention, in connection with the examination, which gives reasonable cause to believe that in any material respect:

accounting records for non-company charities have not been kept in accordance with section 41 of the Charities Act 1993; or
where the charity is a charitable company, the accounting records have not been kept in accordance with section 386 of the Companies Act 2006; or

the accounts do not accord with the accounting records; or
where the accounts are prepared on an accruals basis for a non-company charity under section 42(1) of the Act 1993 and those accounts do not comply with the requirements of the 2008 Regulations setting out the form and content of charity accounts (Charity accounts consist of a Statement of Financial Activities and balance sheet and are prepared in accordance with the methods and principles set out in the Statement of Recommended Practice);
or

where the accounts are prepared for a charitable company, the accounts do not comply with section 396 of the Companies Act and the methods and principles of the SORP.

10.5 Where any of the above matters have been identified, and the failure is considered material, there should be a clear explanation of the nature of the failure and, where it can be estimated its financial effects on the accounts.

10.6 Where the concern relates to non-compliance to the form and content of the accounts or material inconsistency with the SORP, the matter should be raised first with the charity trustees to seek the necessary amendment to the accounts.

10.7 The examiner in the second part of the report is also required to state whether or not any matter has come to their attention in connection with the examination to which, in the examiner's opinion, attention should be drawn in the report to enable a proper understanding of the accounts to be reached. It is expected that

only significant matters will be reported. Where accruals accounts are prepared attention is drawn to matters which are material to the accounts. These matters should be brought to the attention of the charity trustees first with a view to seeking an amendment or adjustment to the accounts but if concerns remain the matter should be addressed in the examiner's report. Where reported the matter concerned should be fully explained together with the financial effects on the accounts.

10.8 There is also a requirement to provide a statement if the following specific matters have become apparent to the examiner during the course of the examination:

any material expenditure or action which appears not to be in accordance with the trusts of the charity;

any failure to be provided with information and explanation by any past or present trustee, officer or employee that is considered necessary for the examination; and

in the case of accruals accounts any material inconsistency between the accounts and the Trustees' Annual Report and, in the case of a charitable company with the director's report.

10.9 In order to identify any material expenditure or activities undertaken outside the objects of the charity, an understanding of the stated objects of the charity, as set out in its governing document, is necessary. Small or immaterial levels of expenditure on purposes outside of the objects of the charity will not generally be included in the examiner's report. Material expenditure, or significant actions, contrary to the trusts of the charity would be a major concern and details should be included on the examiner's report. The examiner need not carry out specific checks or procedures to identify such breaches, but such matters when identified must be included in the examiner's report. The examiner will also need to consider whether a separate report of the matter needs to be sent to the Commission. This separate duty is explained fully in section 11 of this guidance.

10.10 Any failure to be provided with information and explanations may seriously hamper an examination. If information and explanations requested are not provided to the examiner's satisfaction this fact must be included in the examiner's report. A refusal to provide information or explanations is a serious matter and a separate report to the Commission may again be necessary (see section 11 of this guidance).

10.11 In the case of accounts prepared on an accruals basis any major inconsistency between the accounts and the Trustees' Annual Report may give rise to misunderstanding. This should be brought to the attention of the charity trustees with a view to the amendment of the discrepancy. If the trustees decline to agree to change their Annual Report or where concerns still exist this must be stated in the examiner's report.

10.12 For NHS charities independently examined by an examiner appointed by the Audit Commission or the Auditor General for Wales the examiner has equivalent reporting duties that are set out in Regulation 32 of the 2008 Regulations.

are extensive electronic working paper file which can be used by an examiner to fully document all aspects of the work of an independent examiner to meet professional standards.

paid.com

Guidance

Notes and cross references

applies to all forms of

Guidance

11.1 In addition to making an examination report on the accounts, the examiner has a separate legal responsibility to report to the Charity Commission if a matter of material significance to the regulatory functions of the Commission is identified. This duty applies to both company and non-company charities which are registered with the Commission and to charities which are currently excepted from registration with the Commission.

11.2 It is important to emphasise there is neither a legal duty nor an expectation that the examiner will actively go looking for matters of material significance that need to be reported. However, where the examiner comes across such matters as part of their work, they must make a report to the Commission. Normally the matter will relate to the year the examiner is reporting upon and the examiner is not required to review the previous year's accounts and records. However, where a matter comes to light relating to a previous financial year which would give rise to a duty to report, then the examiner should still make a report.

11.3 The Commission and The Office of the Scottish Charity Regulator (OSCR) have agreed a shared list of 8 matters of material significance that should always be reported by an independent examiner. These matters of material significance are set out below:

Matters suggesting dishonesty or fraud involving a significant loss of, or a major risk to, charitable funds or assets.

Failure(s) of internal controls, including failure(s) in charity governance that resulted in a significant loss or misappropriation

governance, that resulted in a significant loss or misappropriation of charitable funds, or which leads to significant charitable funds being put at major risk.

Matters leading to the knowledge or suspicion that the charity or charitable funds have been used for money laundering or such funds are the proceeds of serious organised crime or that the charity is a conduit for criminal activity.

Matters leading to belief or suspicion that the charity, its trustees, employees or assets, have been involved in or used to support terrorism or proscribed organisations in the UK or outside of the UK. Evidence suggesting that in the way the charity carries out its work relating to the care and welfare of beneficiaries, the charity's beneficiaries have been or were put at significant risk of abuse or mistreatment.

Significant or recurring breach(es) of either a legislative requirement or of the charity's trusts.

A deliberate or serious breach of an order or direction made by a charity regulator under statutory powers including suspending a charity trustee, prohibiting a particular transaction or activity or granting consent on particular terms involving significant charitable assets or liabilities.

Any notification or matter reported to the trustees on resigning as independent examiner or matter that the examiner is aware of on resignation or ceasing to act that falls within the categories of reportable matters set out above.

11.4 Volunteer independent examiners may not encounter these situations very often when reviewing the accounts of charities and so to help them, and to help all examiners, some illustrative examples are provided in Appendix 5 of matters of material significance and where they may be identified in the course of the examiner's work.

11.5 The examiner must make a report to the Commission only if in the course of their independent examination they identify a matter which they have reasonable cause to believe is likely to be of material significance for the purposes of the exercise by the Commission of its formal inquiry powers under section 8 or 18 of the Charities Act 1993.

11.6 The duty to report relates to information or evidence obtained from the examiner's work undertaken in fulfilling the Commission's Directions or whilst acting in the capacity of the examiner of a charity. A reporting requirement would not arise from minor breaches of trustees' obligations, or isolated administrative errors that are unlikely to jeopardise the charity's assets or amount to misconduct or mismanagement.

11.7 The duty to report applies to the examiner who must make a report whether or not the matter has already been notified to other regulators or agencies and whether or not the trustees have already advised the Commission, for example, by making a serious incident report. In any event the examiner must keep the particular matters of material significance in mind as they carry out their examination.

11.8 Where the matter to be reported concerns terrorism then the matter must be immediately reported to the Police before the examiner makes their report to the Commission.

11.9 Where the matter to be reported concerns money laundering

11.9 Where the matter to be reported concerns money laundering, those examiners who are charging a fee are providing an accountancy service and so are governed by the Money Laundering Regulations and should advise the Serious Organised Crime Agency in the first instance. However, it is not expected that notifying the Commission, itself a regulator, will give rise to a 'tipping off' offence.

11.10 In preparing to make their report to the Commission of a matter of material significance, the examiner should gather together the relevant information or evidence about the matter and make a note of the significant concern(s) identified. The examiner may find it helpful to discuss the matter first with the trustees unless the matter concerns the honesty or integrity of the trustees. In particular, matters that involve terrorism or money laundering must always be immediately reported to the police or Serious Organised Crime Agency and care exercised to ensure risks of 'tipping off' do not arise.

11.11 There should not be delay in sending a report to the Commission as the duty to report is immediate. However, the Commission recognises that the examiner will need some time to consider the information or evidence identified and where appropriate to seek clarification or further explanation from the trustees. Where the trustees wish to explain the actions they have taken or propose to take this may be appended to the examiner's report.

11.12 Where a reporting duty arises the examiner should report the matter either by email or in writing to the Complaints Team Manager, Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG. The email or letter should be headed 'Independent Examiner reporting a matter of material significance' and should provide the following information:

the examiner's name and contact address, telephone number and/or email address;

the charity's name and registration number (if applicable);

a statement that the report is made in accordance with section 44A of the Act 1993;

under which of the eight headings of reportable matters (see paragraph 11.3) the report is being made;

describe the matter giving rise to concern and the information available on the matter reported, where possible, provide an estimate of the financial implications;

where the trustees are attempting to deal with the situation, a brief description of any steps being taken by trustees of which the examiner has been made aware;

if the report concerns terrorist, money laundering or other criminal activity whether you have notified the Serious Organised Crime Agency and/or Police as appropriate; and

if the report concerns the abuse of vulnerable beneficiaries whether you have informed the Police and/or Social Services.

11.13 Section 44 of the 1993 Act also provides a discretionary power or right for the examiner to make a report to the Commission where the examiner becomes aware of a matter, where there is reasonable cause to believe the matter is likely to be relevant to the exercise of any of the Commission's functions. This is a very broad right and enables the examiner to advise the Commission of any matters that may be relevant to the Commission's functions

any matters that may be relevant to the Commission's functions but where the matter does not fall clearly within the category of being of material significance. This right might be used by an examiner, for example, where a matter has been identified that the examiner believes the Commission's input is necessary for its resolution.

11.14 It is not appropriate to give a list of issues where this discretionary power might be used because it is widely drawn and there is no obligation on the examiner to make a report. Examiners are encouraged not to report small or insignificant matters, particularly where such matters have been satisfactorily resolved internally or the matter can be resolved by the examiner through discussion with the trustees in the first instance.

11.15 Where the examiner is exercising their discretion to report a matter, the examiner should report either by email or in writing to: The Complaints Team Manager, Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG.

The examiner should:

state the charity's name and registration number (if applicable);

state the examiner's name and contact address, telephone number and/ or email address;

state that the report is made using the examiner's power of discretion to report a matter relevant to the work of the Commission in accordance with section 44A of the Act 1993;

describe the matter and the examiner's view of its relevance to the work of the Commission, and, where possible, provide an estimate of the financial implications; and

where the trustees are attempting to deal with the situation, give a brief description of any steps being taken by the trustees of which the examiner is aware.

11.16 Appendix 5 provides further advice, particularly for volunteer examiners, on matters of material significance that may be reportable to the Commission. Appendix 5 also provides examples of how a letter to the Commission might be set out where a reportable matter is identified or where the examiner chooses to exercise their discretionary power or right to report a matter. Where a report is made to the Commission under these provisions, the examiner cannot be held to be in breach of any duty to the trustees or the charity, for example, breach of confidence. The examiner enjoys legal protection in relation to the information or opinions contained in the report made to the Commission.

are extensive electronic working paper file which can be an examiner to fully document all aspects of the work of an at professional standards.

paid.com

gross income, consequently the Charity Commission, in exercising its annual Return process and for the administration of the reporting and to interpret the definition of gross income. The definition is reviewed in process, 1993 Act s48(1).

[Return to main menu](#)

of the charity in all unrestricted and restricted income funds but not funds nor capital gains in an income fund. reference to the gross income of a charity: "means its gross recorded costs". This broad definition is interpreted for administrative purposes in of any costs or expenses. Annual Return requirements and making the Annual Return regulations administrative definition of gross income is reviewed annually in

Note that 'gross turnover. It in goods and services provided

donations and related tax reclaims) grants, gifts, legacies, and (Return 2008)

So accountancy market value included in expenditure. 5 free by a local

basis 'gross income' should be calculated as: services in furtherance of the charity's objectives;

the Statement of Financial Activities (prepared in accordance with the of activities undertaken for generating funds; and

the funds during the year from endowment funds in order to be (dividends, related tax reclaims and rents); and

This point is of implications 1 requirements

(incoming resources gains on revaluation of fixed assets or gains on income' for these purposes.)

allocated or transferred to unrestricted or restricted income funds (note 2 below), and payments basis "gross income" is simply the total receipts excluding the receipt of any endowment.

the capital they should include the amount spent as "other income". included as income when they first come into the charity (see note 1

from income:

[Return to main menu](#)

in independent examination

assets which are used for the purpose of

(fixed assets");

and an examination of the accounts of a charity under section 43 and functional fixed assets; and trustees which:

Is for independent examination

ant professional qualifications or professional body of which he is a

Yes → Not eligible for independent examination: audit requirements of Companies Act apply unless exempt from audit as a small company.

have been
h donations
3 Act and in
n which are
examination
a consent
of the 1993

Yes → Not eligible unless governing document amended to allow independent examination . Prudent to seek agreement from donor that independent examination is acceptable.

tion 42(1) of
i 3 or, as the
amination to
nding of the
r during the
the trusts of

Yes → Not eligible for independent examination; an audit is required by statute.

ther than an
nd reference
afforded to

Yes → Group accounts must be prepared and an audit is required by statute (where aggregate income is below £500,000 group accounts are not required by law).

tion 42(1) of
erial respect
nancial year
to 00.

Yes → Independent examination is not required, but trustees may choose it if they wish.

onsider that
and that an
nder section

mission. An
he accounts
he accounts,
taken do not
ned in an audit, and consequently I do not express an audit opinion

has come to my attention.

Charities also operating in Scotland

Also operating in Scotland

Under the Trustee Investment (Scotland) Act 2005, some charities based in Scotland may now also need to register with the Office of the Scottish Charities also operating in Scotland, which are registered with OSCR, and the accounting framework issued by OSCR.

A matter of material significance (**see section 11 and Appendix 5**) is a matter that should be forwarded to both the Commission and OSCR who will then forward the matter forward.

For charities where accruals accounts are prepared under the SORP, the accounts accepted for filing in both jurisdictions provided some narrative in the accounts in Scotland.

For charities where payments accounts there are some additional requirements; that a 'Statement of Balances' is prepared instead of a 'Statement of Accounts' the accounts are required. Further guidance on Scottish accounting is available on the OSCR website.

For charities where payments accounts that meet Scottish requirements for the accounts 'Statement of Balances' should however be titled 'Statement of Balances (Payments)' for filing with the Commission. No additional changes are required to meet or exceed the requirements for charities in England and Wales.

The 'Work Pack' produced by OSCR is available from their website.

Charities which are also registered in Scotland are strongly recommended to ensure that the examiner meets the requirements of Scottish law. If accruals accounts are prepared by a charity registered with OSCR, the accounts should be audited by a 'qualified independent examiner' as defined in the Charities Accounts Regulations 2006. Charities registered in Scotland must file them with OSCR by the end of the financial year.

If the examiner is always required to review the Annual Report when preparing the report if there is a material difference between the accounts and the financial statements.

The annual financial statement report that satisfies the requirements of both jurisdictions. For both company and non-company charities that operate in England and Wales.

ANNUAL FINANCIAL STATEMENT REPORT (FOR A NON-COMPANY CHARITY ALSO REGISTERED WITH THE SCOTTISH CHARITY REGULATOR PREPARING ACCRUED ACCOUNTS)

Trustees of "ABC" Trust

For the year ended 30 April 2009, which are set out on pages 00 to 00.

The examiner

in the preparation of the accounts. The charity's trustees consider that the accounts are prepared in accordance with section 43(2) of the Charities Act 1993 (the 1993 Act) or under the Charities Accounts (Scotland) Regulations 2006 (the 2006 Regulations) and that the charity is preparing accrued accounts and I am qualified to

the charity is preparing agreed accounts and I am qualified to
a member of (named body).

the Charities 1993 Act and under section 44(1)(c) of the Charities and
2005 Act);

general Directions given by the Charity Commission under section

me to my attention.

ice with the general Directions given by the Charity Commission and
the Charities Accounts (Scotland) Regulations 2006. An examination
is kept by the charity and a comparison of the accounts presented
disclosure of any unusual items or disclosures in the accounts, and
concerning any such matters. The procedures undertaken do not
involved in an audit and consequently no opinion is given as to whether
and the report is limited to those matters set out in the statement

er has come to my attention:

ever that in any material respect the requirements:

with section 41 of the 1993 Act and section 44 (1)(a) of the 2005 Act
provisions; and

accounting records and comply with the accounting requirements of
the 1993 Act and Regulation 8 of the 2006 Accounts Regulations.

be drawn in order to enable a proper understanding of the accounts

**FOR A NON-COMPANY CHARITY ALSO REGISTERED WITH OSCRA
(ACCOUNTS)**

Trustees of "DEF" Trust

year ended 30 April 2009, which are set out on pages 00 to 00.

examiner

the preparation of the accounts. The charity's trustees consider that
under section 43(2) of the Charities Act 1993 (the 1993 Act) or under
the 2006 Accounts Regulations (the 2006 Accounts Regulations) and

of the Charities 1993 Act and section 44(1)(c) of the Charities and
2005 Act);

general Directions given by the Charity Commission under section

me to my attention.

ice with the general Directions given by the Charity Commission and
the Charities Accounts (Scotland) Regulations 2006. An examination

of Charities Accounts (Scotland) Regulations 2006. An examination is kept by the charity and a comparison of the accounts presented for the year with the accounts of the charity for the year, and a comparison of any unusual items or disclosures in the accounts, and a comparison of any such matters. The procedures undertaken do not include an audit and consequently no opinion is given as to whether the accounts are true and correct and the report is limited to those matters set out in the statement

er has come to my attention:

even that in any material respect the requirements

with section 41 of the 1993 Act and section 44 (1)(a) of the 2005 Act and Regulations; and
accounting records and comply with the accounting requirements of the 1993 Act and Regulation 9 of the 2006 Regulations

be drawn in order to enable a proper understanding of the accounts

INDEPENDENT REPORT (FOR A COMPANY CHARITY ALSO REGISTERED)

Trustees of "WXY Charitable Company"

the year ended 30 April 2009, which are set out on pages 00 to 00.

Examiner

the company for the purposes of company law) are responsible for the accounts and the auditor has considered that an audit is not required for this year under section 44(1)(a) of the 1993 Act or under Regulation 10 (1)(a) to (c) of The Charities Accounts Regulations) and that an independent examination is needed.

is not subject to audit under company law and is eligible for exemption from audit under section 44(1)(a) of the 1993 Act and section 44(1)(c) of the Charities and Trustees Accounts Regulations 2006.

the 1993 Act) and section 44(1) (c) of the Charities and Trustees Accounts Regulations 2006; and
general Directions given by the Charity Commission under section 44(1)(a) of the 1993 Act and section 44(1)(c) of the Charities and Trustees Accounts Regulations 2006.

ne to my attention.

ice with the general Directions given by the Charity Commission and the Charities Accounts (Scotland) Regulations 2006. An examination is kept by the charity and a comparison of the accounts presented for the year with the accounts of the charity for the year, and a comparison of any unusual items or disclosures in the accounts, and a comparison of any such matters. The procedures undertaken do not include an audit and consequently no opinion is given as to whether the accounts are true and correct and the report is limited to those matters set out in the statement

er has come to my attention:

even that in any material respect the requirements

with section 386 of the Companies Act 2006 and section 44(1)(a) of the Companies (Accounts) Regulations 2008; and the accounting records, comply with the accounting requirements of the Companies Act 2006 and Regulation 8 of the 2006 Accounts Regulations; and the principles of the Statement of Recommended Practice: Accounting

be drawn in order to enable a proper understanding of the accounts

5

to help examiners set out their reports in a way which the examples cover a number of situations that an examiner

and of their examination the examiner is able to report that nothing has caused them to believe that one or more of the specific matters on which they are concerned or non-compliance with the requirements of the 2008 Regulations. The report is described as 'qualified'.

If the charity's income is greater than £250,000, for the examiner to be eligible to undertake the examination.

The Commission may permit an independent examination to be carried out. The examiner must disclose in their report if the examination is in the Commission's dispensation.

[Return to main menu](#)

The report should produce a report

a) complies with the standards and covered in a report

b) complies with the standards and covered in a report

but will need to be with these guidelines

unincorporated associations and only a small number are charities. These charities set up under the Companies Acts are termed 'company' charities. For the purposes of this guidance and because of company law the majority of charities, termed 'non-company' charities in this Document of the charity, as a company charity has a memorandum issued with a company number by Companies House.

charity (applicable to both accruals accounts and receipts and any.

charity preparing receipts and payments accounts had failed to

charity preparing receipts and payments accounts had failed to

charity has made a cash payment overseas without evidence that the duty to report to the Commission arose and was reported with the

company had prepared accounts which were not consistent with the

D REPORT (FOR A NON-COMPANY CHARITY)

Trustees of "ABC" Trust

year ended 30 April 2009, which are set out on pages 00 to 00.

examiner

the preparation of the accounts. The charity's trustees consider that section 43(2) of the Charities Act 1993 (the 1993 Act) and that an

the 1993 Act;

general Directions given by the Charity Commission under section

me to my attention.

in accordance with the general Directions given by the Charity Commission. An examining records kept by the charity and a comparison of the accounts is not a consideration of any unusual items or disclosures in the accounts, nor does it concern any such matters. The procedures undertaken do not amount to an audit and consequently no opinion is given as to whether the accounts are true and the report is limited to those matters set out in the statement

nothing has come to my attention:

that in any material respect the requirements:

with section 41 of the 1993 Act; and

accounting records and comply with the accounting requirements of

be drawn in order to enable a proper understanding of the accounts

D REPORT (FOR A COMPANY CHARITY)
Trustees of "WXY Charitable Company"

the year ended 30 April 2009, which are set out on pages 00 to 00.

examiner

the company for the purposes of company law) are responsible for
es consider that an audit is not required for this year under section
Act) and that an independent examination is needed. The charity's
qualified to undertake the examination by being a qualified member

is not subject to audit under company law and is eligible for
ility to:

ie 1993 Act;
general Directions given by the Charity Commission under section

ne to my attention.

ice with the general Directions given by the Charity Commission. An
nting records kept by the charity and a comparison of the accounts
s consideration of any unusual items or disclosures in the accounts,
es concerning any such matters. The procedures undertaken do not
ired in an audit and consequently no opinion is given as to whether
and the report is limited to those matters set out in the statement

er has come to my attention:

eve that in any material respect the requirements:

ith section 386 of the Companies Act 2006; and
e accounting records, comply with the accounting requirements of
with the methods and principles of the Statement of Recommended
ties

be drawn in order to enable a proper understanding of the accounts

**D REPORT - FAILURE TO IDENTIFY A RESTRICTED FUND
(NON-COMPANY CHARITY)**

Trustees of "ABC" Trust

Year ended 30 April 2009, which are set out on pages 00 to 00.

Examiner

On the preparation of the accounts. The charity's trustees consider that section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an

the 1993 Act;

general Directions given by the Charity Commission under section

none to my attention.

in accordance with the general Directions given by the Charity Commission. An examination of the accounting records kept by the charity and a comparison of the accounts with the consideration of any unusual items or disclosures in the accounts, and the procedures undertaken do not give rise to any concerns concerning any such matters. The procedures undertaken do not give rise to any concerns in an audit and consequently no opinion is given as to whether the report is limited to those matters set out in the statement

:

the charity's accounts but have not separately identified restricted funds for church service a special appeal was held for a mission to Samarkand and the routine collection and no separate record kept of the amount raised on the mission to Samarkand was separately identified and noted but that the banking for that service was £1,978 against an average of £1,000. The charity has put in place a protocol to ensure that any appeals are now counted

no other matter except that referred to in the above paragraph has come to

conclude that in any material respect the requirements:

with section 41 of the 1993 Act; and

accounting records and comply with the accounting requirements of

be drawn in order to enable a proper understanding of the accounts

**E REPORT - FAILURE TO PREPARE RECEIPTS AND PAYMENTS
(CHARITY)**

Trustees of "DEF" Trust

Year ended 30 April 2009, which are set out on pages 00 to 00.

Examiner

On the preparation of the accounts. The charity's trustees consider that section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an

section 43(2) of the Charities Act 1993 (the 1993 Act) and that an

the 1993 Act;
general Directions given by the Charity Commission under section
come to my attention.

ice with the general Directions given by the Charity Commission. An
nting records kept by the charity and a comparison of the accounts
s consideration of any unusual items or disclosures in the accounts,
es concerning any such matters. The procedures undertaken do not
ired in an audit and consequently no opinion is given as to whether
and the report is limited to those matters set out in the statement

:
yments accounts and the accounts show cash received in the year of
pt to match the record of the donations received to the bankings
banked. The only written record retained is a letter advising a grant
nditure was made in cash from retained unbanked cash or via cash
ew receipts were kept. Aside from invoices for utilities and rent and
olunteer or other expenses. Total cash spent amounted to £86,000
68 of payments without any supporting records.

r matter except that referred to in the above paragraph has come to
; having not been maintained properly in accordance with section 41

believe that in any material respect the requirements to prepare
records and comply with the accounting requirements of the 1993

be drawn in order to enable a proper understanding of the accounts

REPORT - A MATTER TO BE REPORTED (NON-COMPANY)

Trustees of "ABC" Trust

year ended 30 April 2009, which are set out on pages 00 to 00.

xaminer

ie preparation of the accounts. The charity's trustees consider that
section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an

the 1993 Act;
general Directions given by the Charity Commission under section
ne to my attention.

ice with the general Directions given by the Charity Commission. An
nting records kept by the charity and a comparison of the accounts
s consideration of any unusual items or disclosures in the accounts,
es concerning any such matters. The procedures undertaken do not
ired in an audit and consequently no opinion is given as to whether
and the report is limited to those matters set out in the statement

:
tter has come to my attention which gives me reasonable cause to
uirements:

ith section 41 of the 1993 Act; and
accounting records and to comply with the accounting requirements

erial restricted grant of £x to the XXX partner organisation operating
trustee took the funds over in US dollar currency in a suitcase and
partner organisation. However the trustees were unable to explain
to provide evidence by way of receipt or letter of acknowledgment
exists that the grant may have to be repaid because of the lack of
use.

n connection with my examination to which, in my opinion, attention
understanding of the accounts to be reached.

REPORT - NOT COMPLIANT WITH SORP AND COMPANIES ACT

rustees of "WXY Charitable Company"

the year ended 30 April 2009, which are set out on pages 00 to 00.

xaminer

the company for the purposes of company law) are responsible for

the company for the purposes of company law, are responsible for
es consider that an audit is not required for this year under section
t) and that an independent examination is needed.

is not subject to audit under company law and is eligible for
ility to:

ie 1993 Act;
general Directions given by the Charity Commission under section
ne to my attention.

ice with the general Directions given by the Charity Commission. An
nting records kept by the charity and a comparison of the accounts
s consideration of any unusual items or disclosures in the accounts,
es concerning any such matters. The procedures undertaken do not
ired in an audit and consequently no opinion is given as to whether
and the report is limited to those matters set out in the statement

:
pany law and are not consistent with the Charities SORP. A balance
of a Statement of Financial Activities incorporating an income and
account has been prepared. In neither the profit and loss account nor
etween unrestricted and restricted funds. The amount of restricted
counts and relates to a public collection with balance of £x remaining

rom the matter referred above indicating that the accounts are not
ents of section 396 of the Companies Act and with the methods and
ed Practice: Accounting and Reporting by Charities, no matter has

believe that in any material respect the requirements to keep
on 386 of the Companies Act 2006 have not been met; or

be drawn in order to enable a proper understanding of the accounts

**ntions are quite simplistic and when in doubt the underlying
idance should be referred to .**

ng matters of material significance

matters of material significance to the Commission is explained in 1.10. The Commission also provides further advice, particularly for volunteer examiners, on what to report to the Commission.

The Commission will always involve the use of judgement based on whether a matter is of material significance to the Commission's regulatory functions. In effect the examiner should consider the matter from the regulator's perspective. This guidance is not meant as a checklist of 'material significance' that may arise but as an aid to the examiner in making a decision. Remember the examiner is not expected to go looking for matters of material significance but to act reasonably and honestly when deciding if a matter is of material significance.

Isolated administrative errors that do not pose risk to the charities are so frequent as to amount to misconduct or mismanagement.

A conclusion as to whether a matter is reportable can be a difficult one for examiners who do not hold professional accountancy qualifications.

Examiners can consider the following questions to help reach a conclusion:

1. Is there a significant concern?

2. Does it need to be investigated?

3. How serious is the concern about the charity's ability to regulate the sector?

4. Are the charity's assets or the public at significant risk?

5. Does the matter fall within the 'eight matters' listed in section 11 of this guidance? If so, is the matter reportable by the Commission. It can also be helpful to understand the Commission's previous investigations and summaries of completed inquiry cases can be viewed on the Commission's website.

If the examiner is still unsure if the Commission would regard the matter as reportable, it is helpful to discuss the matter with us. The final decision of whether or not a matter is reportable is for the Commission to make but we at the Commission are willing to discuss the matter with examiners for your support. It's also important to remember that any telephone report to be submitted by the examiner if the matter is of material significance.

www.charitycommission.gov.uk

If a matter is not reportable we recommend the examiner to record the key facts of the matter and the need to produce a body of evidence that proves a matter beyond reasonable doubt. Sufficient information to give a 'reasonable cause to believe' that the matter is of material significance. This may mean the examiner may have to do some extra work to the extent necessary to satisfy themselves there is a reasonable cause to believe the matter is of material significance.

Remember that they do not have a duty to look specifically for matters to report but to act as rigorous as an audit and the 2008 Regulations only require the examiners to report matters as part of their examination. The procedures for carrying out an examination are explained in the guidance that follows each Direction. What the examiner should be identified whilst acting as a charity's examiner which is likely to be of material significance.

1.10 Involving a significant loss of, or a major risk to, charitable assets

A matter involving the charity should be reported even if the matter has not been identified in the examination procedures may also highlight risks that should be reported. Examples of matters that should be reported include cash drawing without adequate explanation, expenditure not for the charity's purposes, missing records, significant failure to keep accounting records, the use of agents to make payments for the charity, or the unusual use of agents to make payments for the charity. Reviewing accounting records, comparing accounting records with bank statements, and unusual items may identify these matters.

uding failure(s) in charity governance, that resulted in a f charitable funds, or which leads to significant charitable

h the examiner is not required to consider internal controls certain during the examination, for example, if accounting records are not out authority, pre-signing of cheques, unusually high level of use of supported by receipts or without apparent business need or trustees charity. These matters might be identified through the review of understanding of how the charity operates.

suspicion that the charity or charitable funds have been used e the proceeds of serious organised crime or that the charity

here a fee is charged, the examiner is likely to be providing an o the examiner should consider the Money Laundering Regulations essional body. For volunteer examiners knowing when a suspicion is e reportable a suspicion should be based on some evidence, even if on that a charity may be involved in money laundering would not be s not possible to give a definitive list of the indicators of money further consideration include:

nsaction;

ntity of trustees;

harity to transfer those funds to a nominated party inside or outside he donor or a named third party;

e, at a zero, low or commercial rate of interest, which the charity is o the donor or a third party;

heque or bank transfer because they were 'paid from the wrong

able deposits or transactions by other third parties or individuals;

the UK on behalf of a third party in return for a fee;

ugh a series of bank accounts;

; without a clear investment purpose or rationale.

hat the charity, its trustees, employees or assets, have been n or proscribed organisations in the UK or outside of the UK –

ead our Operational Guidance OG 96 Charities and Terrorism on our support of a particular organisation (in cash or otherwise) you can on on the Home Office website at www.homeoffice.gov.uk. Factors vity identified should also be considered.

charity carries out its work relating to the care and welfare of e been or were put at significant risk of abuse or mistreatment – The ector nor to attempt to interpret the physical, emotional or spiritual do not consider internal controls they will have general knowledge rom trustees' minutes, or they may become aware of a pattern of r example, identify information concerning legal action against the stigation or concern raised by another regulator or agency or that staff are not being carried out. Where concerns are identified our yful.

ither a legislative requirement or of the charity's trusts - The

rt and as previously stressed minor breaches of trustees' obligations ot pose risk to the charities assets or reputation are not normally ed are large or recurring then this can indicate a concern about the e, activities could be unconnected with the purposes of the charity here might be large expenditure for a purpose clearly unconnected e requirements or an unwillingness to rectify a breach, for example, ervice as a trustee (trustees may claim proper expenses and may be than for their services as a trustee, provided the procedures set out ed in accruals accounts).

or direction made by a charity regulator under statutory powers

prohibiting a particular transaction or activity or granting consent on saleable assets or liabilities – On occasions the Commission will use its reputation of a charity or a particular transaction will be subject to a sample, a suspended trustee is known to still be involved in the thing expended when assets are frozen or a significant transaction is so the consent given then this should be reported.

to the trustees on resigning as independent examiner or of on resignation or ceasing to act that falls within the duty to report cannot be avoided by resigning as examiner. If a information necessary for the examination or a concern arises of such to continue then the examiner should consider whether the matter ers identified above.

ie Commission of matters which fall within the categories of matter rt. These serious incident reports are made by trustees either during to the Commission. It is the trustees' responsibility to make these duty, but the examiner may find it helpful to ask the trustees if they eport. If a serious incident report has been made by the trustees the a matter of material significance make their own report setting out happened and any action the trustees have taken or are taking to

aterial significance to the Commission, is provided in this appendix. matter which is not considered by the examiner to fall within the e the examiner has chosen to exercise the power or right to make a nt to the Commission's functions.

ity to report a matter of material significance to the Charity :port follows)

n which relates to the example examiner's report 4.5 in Appendix 4.

sample letters to comm

t to your attention concerning ABC Trust, charity number 1XXX700 with section 44A of the Charities Act 1993 to advise you of a matter o you in the exercise of your functions under section 8 or 18 of the

30 April 2009 was £242,876 and included a restricted grant given by ed project in country X to assist in the relief of poverty. During the at Mr CD, a trustee of the charity, travelled to country X on 10 e form of US dollars in a suitcase and gave these funds to Mr TZ of or the other trustees have any receipt from Mr TZ nor do they have v the money was used.

o they say they have known for at least a year and believe that the re went benefit to the poor of country X. Following was construction

ve great benefit to the poor of country X. Following my examination of the accounts from Mr TZ but have been advised that he is unavailable, having no date of return is uncertain. There is a concern that AB Donor Trust because the charity has insufficient records to demonstrate how the

accounts I provided a qualified independent examiners report due to

of a matter likely to be relevant to the Charity Commission

Charity Commission concerning WWZ Trust, charity number 1XXX900

with section 44A of the Charities Act 1993 to advise you of a matter that may require the exercise of your functions under the Charities Act 1993.

In the course of my examination of WWZ Trust I noted that the trustees had awarded a retiring allowance of £1,500 in recognition of his 40 years of trusteeship. The charity had not sought Commission approval and the trustees confirmed that they had not realised that the limit of £1,000 at which prior Commission approval is required, is contrary to the Charities Act 1993. I have now contacted Charity Commission Direct to ask for your advice on

In my examination of the accounts, I provided an unqualified independent examiner's report as I did not consider further explanation in my examiner's report was warranted given the relatively small amount involved.

orts) Regulations 2008 No.629

and practices that specify how the effects of transactions and other
ough the recognition, measurement and presentation of assets,
vements in funds. They are supplemented by estimation techniques
value of incoming and outgoing resources and assets and liabilities.
reliable and allow comparability and understandability of financial

and fair view should conform to certain standards issued or adopted
standards, with which professional accountants are expected to be
nts of Standard Accounting Practice' (SSAP), 'Financial Reporting
e Abstracts' (UITF abstracts).

ctions and other events to be reflected, as far as possible, in the
, and not, for example, in the period in which any cash settlement is
tion of balance sheet assets and liabilities.

its prepared in accordance with the requirements of section 42(1) of the 1993 Act. The accounts are prepared by the trustees to show a 'true and fair view'. The accounts

is of accounting policies that enable the accounts to give a true and fair view in accordance with the accounting standards and the accounting concepts of going concern and

reconciles the balance at the bank as at the statement date, with the closing bank balance for transactions, for example, cheques and bankings that have been made but not credited, effected on or

7 of the 1993 Act and are the people who, under the charity's constitution, have the general control and management of the administration of the charity. They may be called trustees, managing trustees, committee members or may be referred to by some other title.

ledger in manual or computer accounting systems and are used as a record of transactions and on occasions for cash. In the case of sales or purchase ledger, transactions received or paid against invoices are posted to such accounts. The ledger is used to record purchases invoiced but unpaid or sales invoices for which

the age of 18 who are responsible in law for the operations of the charity. The Board of Directors which constitutes the decision making body and the Board is responsible for the affairs of the charity. Directors have specific duties under company law and are the persons who, if a charitable company are its directors.

and where trustees are legally required to invest or retain the capital. The funds are held in trust for the charity. Normally these funds will represent investments but may also be used for the day to day running of the charity. There are two forms of endowment. Permanent endowment is where the capital is not to be spent. Expendable endowment is where the capital may be spent for the day to day running of the charity, under certain circumstances, in the same way as

in determining whether a matter is of material significance to the Commission. The matters of fact or law which are the subject of the examination or facts gathered by the examiner during the course of the examination include the accounts, the accounting records, the examiner's report, the answers to questions, matters established through any verification of the charity's other records, for example minutes of trustee meetings.

requirements as to disclosures, analysis and information which should

of fraud. Fraud can be committed by way of false representation, position where the intention is that the person committing the fraud from the fraud or cause another party loss as a result of the fraud.

accounts on the basis that it will continue in operational existence on basis applies to accounts prepared unless it is necessary, or the es, wind up or liquidate the charity.

document setting out the charity's purposes and, usually, how it is eed, constitution, memorandum and articles of association, will, Commission, or other formal document. The trusts of a charity are ument(s) of the charity.

ees from the independent examiner detailing the accounting ie statutory responsibilities of the independent examiner. It may also , proposed timetables for the examination and details of any non-miner. The purpose of the letter is to reduce misunderstanding and eed in writing with the charity trustees.

er as to whether any information omitted or misstated would affect Materiality depends on the size, amount or importance of the item,

class of persons defined in the governing document as the members ts out the process for appointing and removing members, the role place membership has in the governance of the charity. Under e the initial subscribers of a company's Memorandum on registration members and whose name is entered in the company's register of association of the company will set out the process for appointing sponsibilities of members and the place membership has in the

to apply or use money or assets owned by the charity dishonestly for

procedures, and means whether in any respect the accounts are item or aspect of the accounts that is factually incorrect, in error, or ould properly be included in the accounts .

accountancy term for the manual or computerised record which the period. The ledger contains the detailed history of all the a defined period of time from which a trial balance can be extracted charities may not maintain a nominal ledger but instead maintain an columnar form with income shown separately from expenditure.

g by named employee, the gross salary paid, employers' tax and employee related costs (eg healthcare plan costs or employer's ontribution pensions), where applicable.

eligible under the 1993 Act and is normally a registered auditor. The sional opinion as to whether the accounts are 'true and fair' in

ounts prepared under section 42(3) of the 1993 Act. The accounts

ue and fair view'; instead they should provide a factual summary of nd a statement providing information as to the charity's assets and

e trustees are able to spend on particular purposes of the charity. ecific trusts which may be declared by the donor(s) or with their through a legal process, but are still within the wider objects of the

Accounting and Reporting by Charities, issued in March 2005, sets rpose of preparing the Trustees' Annual Report and for preparing s. The accounting recommendations of the SORP do not apply to ccounts.

refers to the requirement in charity law for an audit to be carried out ssets exceed the relevant threshold by a person who is eligible for i person approved by the Commission in accordance with the 2008

the closing balances on all of the separate individual accounts rds or computerised records.

Secretary of State has the power to proscribe any organisation which

sm'. An organisation is 'concerned in terrorism' if it commits or
for terrorism, promotes or encourages terrorism, or is otherwise
broad.

stees are able to spend at their discretion for any of the charity's
ain part of the unrestricted funds which the trustees have earmarked
unds are called designated funds. Such designated funds are legally
' may be reported separately in the balance sheet or notes, where
: of unrestricted funds, where receipts and payments accounts are

rised records, such as notes of explanations received and schedules
o record what they have done, what they have found, the questions
ose questions. Working papers will include the examiner's analytical
be relevant to the examination. The examiner

nation of the directions and guidance as included

ut and who should read it?

of charities, charity law requires most charities to have an external
y's gross income is not more than £500,000, or where gross income
more than £2.8 million, then charity law allows trustees to choose a
scrutiny called an independent examination.

orm of scrutiny than an audit but it still provides trustees, funders,
with an assurance that the accounts of the charity have been

with an assurance that the accounts of the charity have been prepared in accordance with the Charities Act 2006, independent of the charity. This guidance applies to all charities, including small charitable companies. Also charitable companies with a requirement to have an examination for the first time.

Charities may choose to have an independent examination instead of an audit and for an independent examiner. The first part of this guidance explains what trustees need to know and what they must do and provides some recommendations to help trustees, and in particular the Honorary Treasurer, need to know what an independent examination is and when they opt to have an examination in place of an audit. By following this guidance, trustees can have their accounting records, Annual Report, accounts and other documents completed in a timely way.

The main body of the guidance and the appendices provide the essential information for the independent examiner. When being paid a fee for their work, the role of the examiner is important. The guidance sets out the examination and make a report to the trustees setting out the findings of their examination. There is a process to be followed and this guidance sets out the Directions, their reporting duties and provides practical advice at various points.

When reviewing receipts and payments accounts and so will not need to be independent examination, the examiner still needs a certain level of knowledge. This is set out in this guidance and to set out their report in the way that the Charities Act 1993 (the 1993 Act) requires the examiner to do.

The examiner needs to have an up to date understanding of accruals accounting. The Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) is the law requires that the examiner has the requisite ability and experience and greater accountancy skills and knowledge will be needed to carry out the examination.

Read this guidance to find out what they must do to comply with the requirements of the Charities Act 2006, the content of their report, and for practical guidance about how to go about the examination.

Who does the guidance apply to?

This guidance applies to the scrutiny (independent examination and audit) arrangements for charities (Charities Act 2006 Act) and the Charities (Accounts and Reports) Regulations 2008. It applies to the examination of accounts of non-company charities and to companies registered under company law for accounting periods beginning on or after 1 April 2006. Sections of the Companies Act 2006 as they apply to companies.

What is an independent examination, the legal framework, and appointing an examiner

Charities must prepare an Annual Report and accounts.

Accounting: The Essentials April 2008 (CC15a) to find out about the requirements and options for preparing accounts and their external scrutiny. The Charities (Accounts and Reports) Regulations 2008 require the Annual Return to be filed with the Commission.

Small companies registered with Companies House, can prepare either simplified accounts provided their gross income does not exceed £100,000. This is a simple and flexible alternative to more complex accruals accounts. The guidance provides an analysed record of the cash received and spent in the financial year, together with a schedule of assets and liabilities known as a 'Statement of Assets and Liabilities'. Our publication 'Charities: Accounts and Reports' provides a pro forma layout for the trustees' annual report, the statement of assets and liabilities and the examiner's report. There is also

rent of assets and liabilities and the examiner's report. There is also George's Youth Club' on our website.

uals accounts as must all non-company charities with gross income r. Charities preparing accruals accounts must generally do so in ered social landlords and higher and further education bodies have id but the size of these organisations is usually such that they are ination.

if cash accounts plus debtors (money owed to the charity but not ney owed by the charity but not paid by the year end) because they ssets, depreciation of fixed assets, provisions, the market valuation nal assets and other accounting adjustments and disclosures, for ements. Accruals accounting is a much more complex form of d follows the accounting rules set out by the Accounting Standards ted by the SORP for the charity sector. Charitable companies must its of the Companies Act 2006.

the SORP offers a number of concessions and to assist smaller non-ccruals Accounts Pack (CC17) provides pro forma layout for the iner's report which when completed fully meets legal requirements. es, there are also several worked examples of accruals accounts on

by Part 6 of the 1993 Act and Section 43 of the 1993 Act allows mpler form of external scrutiny in place of an audit.

ternal check on the accounts and can be carried out by any person ept where the gross income exceeds £250,000, when only members : can undertake the examination. An examination is a less onerous : less assurance in terms of the depth of work which is to be carried n the Directions and the content of the examiner's report is set out in

d to confirm that no evidence has been found that suggests certain This form of 'negative assurance' is a more limited form of scrutiny. d so is not required to plan the work, for example, to identify fraud or ng in the charity.

accounting records kept by the charity and a comparison of the also involves a review of the accounts and the consideration of any important to note that verification and vouching procedures, where an original document such as an invoice or a receipt, only becomes identified from the work of the examiner, or where satisfactory ustees.

only required to provide a statement on specific matters that have xamination procedures specified in the Directions. This is a simpler tor is required to build up a body of evidence to support a positive rticular, an auditor is required to form an opinion as to whether the

ie accounts arises that the examiner considers important to the unresolved or other matters arise that must be included in the ttention, then consideration will be needed as to how this is reported which is of material significance to the Commission where we are (see Appendix 5) the examiner also has to make a separate report n to the examiner's report attached to the accounts.

Thresholds for independent examination?

are subject to review and this guidance will be updated in the event below were in place as at 1 April 2008. Gross income should be on's guidance, as set out in Appendix 1.

ing periods commencing on or after 27 February 2007, and for company law with accounting periods commencing on or after 1 April

≥ gross income is more than £100,000 in the financial year.
n the gross asset threshold of £2.8 million does not apply. The flow determining whether an individual charity is eligible for independent

ay normally opt for an independent examination unless the charity's ere is normally no requirement for any independent scrutiny where £10,000 or less.

≥eds £250,000 and the charity is not subject to statutory audit, the r the examiner to be a member of a listed body. These bodies are the 'Selection of Examiners' section of this guidance.

le companies for accounting periods commencing on or after 1 April statutory audit. Although charitable companies which are eligible for pt for an independent examination in place of a charity audit on the duty to maintain accounting records, and the form and contents of pany law. The guidance refers to the Companies Act 2006 where

pendent examination?

ons governing the form and content of charity accounts, Trustees' litors and independent examiners. These requirements are set out in iting periods commencing on or after 1 April 2008. The 1993 Act tiny for the accounts of all but the smallest charities, but this will fall he majority of charities. The legal framework applies to all charities harities currently excepted from registration.

ity for independent examiners to make a written report to the ir examination, they become aware of a matter which relates to the connected institution, or body, and they have reasonable cause to r:ial to the Commission in the exercise of its inquiry functions. This ance on what must be reported and provides examples of how to set

egulations apply to England and Wales only. Copies of the 1993 Act Public Sector Information's website. The 2008 Regulations are also

quirements

is income and gross assets are below the charity audit threshold, he trustees to consider before the examiner is appointed and starts

cluding a requirement:

for an audit (although the trustees may be able to amend the

me, such as those relating to registered social landlords and NHS

der or lender.

refer the higher level of assurance that it provides. Due to the extra
ments in International Standards on Auditing, trustees need to be
oly more expensive than an independent examination.

any law will have a memorandum and articles of association and the
f the charity is a company then the examiner will need to be familiar
ing requirements that apply to small companies. The trustees of
ensuring that the content of the director's report, which can
nplies with the requirements of the Companies Act 2006.

nination? How to select your examiner

e Commission to issue guidance to charity trustees regarding the
Trustees should read the following sections to ensure that they have
der to properly select and appoint their examiner. The prospective
guidelines prior to accepting the appointment.

ensure that a competent examination takes place and they will
a prospective independent examiner.

section 43(3)(a) of the 1993 Act is "an independent person who is
to have the requisite ability and practical experience to carry out a
nce a charity's gross income exceeds £250,000, the examiner must
following bodies listed in the 1993 Act and should be allowed by the
dependent examiner:

d and Wales
nd

its
s

ants
istrators
ountancy
dent Examiners

ble remuneration to an independent examiner for their services and
a competent examiner on a voluntary basis, should be prepared to
oper cost of administering the charity.

ans that the examiner is not influenced, or perceived to be, by either
es or by day to day involvement in the administration of the charity.
dividual should have no connection with the charity trustees which
amination. An examiner cannot independently review his or her own
s book-keeper cannot be the charity's examiner. However this does
r or supporter of the charity and often some involvement brings an
miliarity to the role of examiner.

is a member of the charity, for example a member of a church
involved in the day-to-day decision making or administration of the
nmittee or sub-committee convened by the charity, and are not
ormally they may act as an examiner, subject to their having the
ion required. Also the right to take part or attendance as a member
eclude the examiner from conducting an independent examination

ration of the charity through tabling resolutions would.

its independence will depend upon the particular circumstances but
considered to be independent:

is closely involved in the administration of the charity;

he charity; or

brother or sister, spouse, civil partner, business partner or employee
or (a) or (b) above.

es Bill which led to the 1993 Act, it was stated that “an independent
the task that he is to do and he must be familiar with accounting
accountant. We have in mind ... people such as bank or building
s or retired accountants. They would all be suitable as independent

s required will depend upon whether the accounts are prepared on a
basis, and the size and nature of the charity’s transactions.

es preparing their accounts on an accruals basis should consider
of the accountancy bodies listed in the 1993 Act, or similarly skilled
understanding of accountancy principles, accounting standards and

ome below £100,000 and, unless constituted as a company under
receipts and payments accounts. This form of accounting is very
ative to accruals accounts that fully meets the legal requirements of
standards and the SORP is not required to examine receipts and

ful, where receipts and payments accounts are prepared, any person should be competent to act as an independent examiner provided they are given the necessary training and apply it when reviewing a set of receipts and payments

if only receipts and payments accounts are prepared, the examiner needs some knowledge including the different types of income funds (unrestricted and restricted and expendable endowment), the nature of trusts, the responsibilities of trustees and the governing document. For more information about the duties of trustees see: What you need to know (CC3) concerning the duties of trustees.

A charity is often registered as a company under company law and carries on business. Any profits made can be Gift Aided to the charity. Unless the aggregate income of the charity together with that of any subsidiaries (after deducting the statutory threshold of £500,000) exceeds £500,000 there is no requirement to prepare group accounts. If the aggregate gross income exceeds £500,000 the group accounts must be prepared.

If the charity's income is below this threshold then they would be non-statutory accounts and any provisions made on a voluntary basis and not covered by the Directions or guidance issued by the Charity Commission. Principles could be applied by a contractual arrangement between the charity and the preparer. For information on group accounts please refer to the relevant section of the Charity Commission's guidance: The Essentials April 2008.

The Commission requires that prospective examiners have practical experience relevant to the role of an independent examiner, that person having:

experience of a charity of a similar nature; or
experience on previous occasions for such charities; or
experience in the private sector or commerce.

The Commission recommends that the trustees should ask the prospective examiner to provide evidence of their experience.

From the charity and its trustees;
If they believe they have the necessary ability and experience to perform the role of an independent examiner;
If the charity is a member of the SORP;
If the charity is a member of a body (e.g. a practising certificate) of their own professional body to act as an independent examiner.

The Commission requires an examiner to give details of their experience, accreditation, or membership of a body listed in the SORP where the examiner has to be a member of a body listed in the SORP on the basis of which they are being examined.

Where a fee is charged in the engagement letter, the Commission requires that the examiner should regard to the requirement to select an examiner with "requisite qualifications". If the examiner is charging a fee the trustees should be notified by a letter from the charity on which the examiner has agreed to act. These terms of engagement should include the examiner's statutory duties.

Where the charity is a member of a body (e.g. a practising certificate) of their own professional body to act as an independent examiner, the trustees must always appoint an independent examiner who is a member of that body. The Commission requires the charity and the trustees should ensure that the Commission's guidance on the duties of the examiner for accruals accounts has been followed.

When the prospective examiner takes over the work of the charity and their prospective independent examiner has a copy of this guidance and is familiar with the requirements to independent examiners and understands the duty to

Where accruals accounts are prepared under section 42(1) of the Act in accordance with the 2008 Regulations as to the form and content of those

examiners should also be aware of the accounting requirement of the content of those accounts in addition to having familiarity with the

and gain suitable assurances from prospective examiners, and from having taken all reasonable steps to appoint an examiner with the intent of an independent examination of their accounts.

conducted with reasonable skill and care in accordance with the

Report and accounts

Charities with a turnover of £10,000 or more must file their report and accounts with the Commission ensuring that their Trustees' Annual Report and accounts, together with the accounts, are submitted to the Commission within 10 months of the financial year end. Charities should note that the filing with Companies House is required within 9 months of the financial year end and it is convenient to file with the Commission at the same time.

At the completion of the examination with the examiner. The Trustees' report, accounts and information should be provided to the examiner early enough for the accounts to be approved by the trustees before

in order to deal with filing then this should be agreed in writing with the trustees. If filing is likely to be late the trustees should alert the Commission about the circumstances, the action the trustees are taking, and the

and, what do I have to do and what do I do once I have finished my

of the nature of their role and are satisfied before they start that they are competent to undertake a competent examination. It is important for examiners to read the first section of this guidance which sets out what the requirements for an independent examination are and what the thresholds are for

It is recommended to check whether they are required to hold a practising certificate, whether charging a fee or acting as a volunteer. The requirements of each are set out in the Regulations for a practising certificate and professional indemnity insurance.

Examiners should be aware that they are considered to be providing accountancy services and must comply with the Money Laundering Regulations and the provisions of the Money Laundering Regulations apply to anyone who carries out accountancy services for a fee or not. The Commission is not the regulator for this area of law; see appendix 7.

Regulations

The Regulations are mandatory and apply to examinations of both registered charities and unregistered charities. The 2008 Regulations and Directions ensure that the independent examiner's report and the processes examiners follow are set out in the Regulations. The Charity Commission under powers given in the 1993 Act. To ensure consistency, the Regulations are followed by additional explanatory guidance setting out what to do. This is not mandatory but is recommended to help ensure examiners

miners understand what is involved in undertaking an examination, to report. It is recommended that examiners take some time to read the examination.

and their report provides assurance about certain specific matters and to draw the attention of the reader of the accounts to any matters of concern addressed to the trustees, must contain all the information required by

requirements of the 2008 Regulations. The example examiner's reports and the examiner can develop their own wording provided the report complies with the Regulations. The specific reporting duties of the independent examiner are set out in the Regulations. Direction 10 and related guidance sets out what needs to

be considered for a charitable company incorporated under company law is different to that for a charity. Examiners must also consider the accounting requirements of the Companies Act 2006. A company will therefore need some understanding of the additional requirements.

For group accounts on a voluntary basis these will be non-statutory and developed on agreement between the charity and the examiner rather than developed on their own form of report based on the work undertaken. Any report requires a high level of accountancy skill including an understanding of accounting principles. Where group accounts are required by law because the charity's gross income exceeds £500,000 then independent examination is not an option as such

the report must state the following facts: the firm's name; the number of factual matters that assure the reader that the report is reliable and that the examiner has followed the Directions. In particular:

- by the accounts;
- examination as opposed to an audit;
- is;

particular matters set out in the 2008 Regulations have come to their attention. The report helps the reader of the report to understand what the examination was about. If the examiner is satisfied that the charity has a sufficient level of professional qualification held and, if the charity's gross income exceeds £500,000, the examiner enables them to act as the examiner. The examiner must also state whether or not particular matters were identified during the examination. The report must also state whether the accounts give a 'true and fair' view; rather the examiner has come to attention to indicate that:

- report, or in the case of a charitable company that adequate accounting records have been kept;
- s;
- on the basis they fail to comply with relevant accounting requirements set out in the Companies Act 2006 or are not satisfied that the company complies with section 396 of the Companies Act 2006 or are not satisfied that the company should be drawn to the attention of the reader to gain a proper understanding of the matters.

the trusts or the charity;
d explanations to which the examiner is entitled; and
accruals basis are materially inconsistent with the Trustees' Annual
any the directors' report.

the examiner in their own name. Whilst the name of a partnership or
f an examiner relates to the individual rather than the partnership or
made to the Commission, it may be an image of the original or be a

gement in carrying out their work and in accessing the information
guidance uses terms material, significant and material significance
r to understand as these terms will inform an examiners judgement
rting duties. These are explained in more detail below.

gement by the examiner as to whether any information omitted or
standing of the accounts. Materiality depends on the size, amount or
ent. An accounting policy is sometimes described as material where
nsaction is recognised, measured or disclosed in accounts. Where a
e examiner has to consider whether the effect of that policy when
unts is so material as to affect the presentation or understanding of

ection with accruals accounts and requires the examiner to look at
olicies, or basis for amounts that are material in the context of the

this guidance in connection with the keeping of accounting records,
niner and in describing the considerations that affect the examiner's
ls, significance is the extent to which the records found are not
information creates doubt about the adequacy of record keeping.
s the examiner to think about whether a matter or an amount is
e to require explanation. For the report, it is whether a finding that
significant enough to need inclusion in the examiner's report. Small
ficant but can become significant if their occurrence is frequent or
assessed when the examiner has either carried out the analytical
flecting about what has been found and is preparing the report. A
erial in term of its amount alone.

term used in the statutory definition of the duty to report matters of
his requires an understanding of those matters that are of material
ie Commission. Those matters that the Commission always consider
guidance with further guidance provided in Appendix 5.

n of the examiner?

ave read this guidance and followed the 10 Directions to the best of
port honestly. The Commission expects the examiner when carrying
material significance which they are also under a duty to report.

aminers, who are not charging a fee, are giving their time freely for
concern arising about the adequacy of an independent examination
on will take into account the nature of the voluntary role and be
ering any failure in the examination process provided the examiner
with the view the Courts take of volunteers who act as trustees who

eceiving payment they are providing accountancy services and we
professional standard and our expectation is that a paid examiner

professional standard and our expectation is that a paid examiner:

knowledge, including familiarity with the SORP where accruals accounts

the Directions; and

and experience, to fulfil their statutory duty to report matters of

£250,000 in England and Wales the examiner must be a member of

.. In setting this threshold Parliament recognised the higher level of

| these larger charities. Consequently whether paid or not, the

these larger charities to have been carried out to a professional

er:

knowledge, including familiarity with the SORP;

the Directions; and

, experience and qualification, to fulfil their statutory duty to report

mission.

tions

mission of the examiner?

have read this guidance and followed the 10 Directions to the best of

report honestly. The Commission expects the examiner when carrying

material significance which they are also under a duty to report.

aminers, who are not charging a fee, are giving their time freely for

concern arising about the adequacy of an independent examination

on will take into account the nature of the voluntary role and be

erling any failure in the examination process provided the examiner

: with the view the Courts take of volunteers who act as trustees who

receiving payment they are providing accountancy services and we

professional standard and our expectation is that a paid examiner:

knowledge, including familiarity with the SORP where accruals accounts

the Directions; and

and experience, to fulfil their statutory duty to report matters of

£250,000 in England and Wales the examiner must be a member of

.. In setting this threshold Parliament recognised the higher level of

| these larger charities. Consequently whether paid or not, the

these larger charities to have been carried out to a professional

er:

knowledge, including familiarity with the SORP;

the Directions; and

, experience and qualification, to fulfil their statutory duty to report

mission.

Directions

de the procedural basis or framework to define how the reporting

are 10 specific Directions that the examiner must address in carrying

| 7 Directions applying to the examination of receipts and payments

d consider if matters of material significance have come to their

report to the Commission.

red on an accruals basis are required to review the Trustees' Annual

examiners of receipts and payments accounts may still find the

ing their examination.

ers of accounts and the independent examiner
ns, designed to specifically to assist in the preparation of accounts,
nd other publications that may be of particular help to the examiner

nsist of

e 10 Directions;
ise to a legal duty to make a report to the Commission; and
ethods which will help examiners to meet the requirements of the

: reproduced in bold print, with explanatory guidance set out in light
ples given and procedures suggested cannot meet all circumstances
n and judgment will need to be exercised by all examiners in the

Act 1993 in the Directions and guidance which follow are to sections
s Act 2006. The references provided to company law are to sections
m 6 April 2008.

red on an accruals basis are required to review the Trustees' Annual
examiners of receipts and payments accounts may still find the
ng their examination.

of accounts and the independent examiner
ns, designed to specifically to assist in the preparation of accounts,
nd other publications that may be of particular help to the examiner

e 10 Directions;
ise to a legal duty to make a report to the Commission; and
ethods which will help examiners to meet the requirements of the

: reproduced in bold print, with explanatory guidance set out in light
ples given and procedures suggested cannot meet all circumstances
n and judgment will need to be exercised by all examiners in the

Act 1993 in the Directions and guidance which follow are to sections
s Act 2006. The references provided to company law are to sections
m 6 April 2008.

From 0
To 1 April 2020
 31 March 2021

Reviewed by

Independent Examiner's checklist

0

LY - Not Scotland

for a wealth of external resources

[Links to external resources page](#)

Links to other parts of the accounts production file

Tab to the relevant Excel worksheets in this template

000 and £250,000. If the gross income was over £250,000 in

Links [Links to external resources page](#)

TB [Trial Balance entry](#)

Data [Data sheet](#)

Cover [Front page of the accounts](#) come time in late 2007, the reporting accounts procedure or

Contents [Contents page of acs](#) low change it to £500,000

Director [Trustees Report](#)

Audit [Independent Examiner's Report](#) exceed £2.8 million

PL [Statement of Financial Activities & I&E ac](#)

BS [Balance Sheet](#)

CF [Cash Flow Statement](#) under the Companies Act (section 249) and under professional

Notes [Notes to the accounts](#)

DetailPL2 [Detailed schedule to the SOFA](#)

Appendix [Activity analyses per the SORP](#)

Library [Standards Reports and Exemptions](#) (The exemptions are highlighted

Disclosure [Disclosure checklist](#)

History [Details of amendments to templates](#)

CFworking [Internal workings for cash flow](#)

Workings [Internal workings for acs](#)

CC31 [Independent Examination directions 2008](#)

[Or for charities in Scotland - see OSCR guidance](#)

[ome](#)

[ity for independent examination](#)

[gland & Wales also operating in Scotland](#)

[reports](#)

[of material significance](#)

[ers to Commission under Appendix 5](#)

reference to file documentation

applies to all forms of account

exceeds £250,000, then the Charities Act 2006 'professional' independent examination must be carried out. The Examiner must hold one of the following qualifications and must meet whatever practising certificate requirements are imposed by the relevant body:-

Chartered Accountants in England and Wales
Chartered Accountants of Scotland
Chartered Accountants in Ireland
Chartered Certified Accountants
Chartered Public Accountants
Chartered Accounting Technicians
Chartered International Accountants
Chartered Institute of Management Accountants
Chartered Secretaries and Administrators
Chartered Institute of Public Finance and Accountancy; or
Chartered Association of Charity Independent Examiners.

Charities over the "2 year rule" requirement. This rule applies only if the charity's income (and expenditure) was above the threshold in the current year, it must have its income or expenditure exceeded the threshold in either of the two preceding years. The old rule applies to accounting periods ending on or after 27th February 2007.

[Home](#)

reference to file documentation

of account

of material significance
ers to Commission under Appendix 5

reference to file documentation

applies to all forms of account

of material significance
ers to Commission under Appendix 5

reference to file documentation

applies to all forms of account

reference to file documentation

of account

[REDACTED]

[REDACTED]

[REDACTED]

reference to file documentation

applies to all forms of account

[REDACTED]

reference to file documentation

applies to accruals accounts - not to
receipts and payments accounts

reference to file documentation

accounts - not to
its accounts

reference to file documentation

accrual accounts,
s and payments
xaminer may find
ful guide

identify major
- this differs
udit requirement
t the report is
the acs

[main menu](#)

reference to file documentation

all forms of account

[main menu](#)

**et in this template if correctly utilised should
t that :-**

h these directions and guidance for unqualified

**with all current professional guidelines and
good practice in relation to the matters to be
ort**

**modification for qualified reports in accordance
elines and the examples shown in Appendix 4**

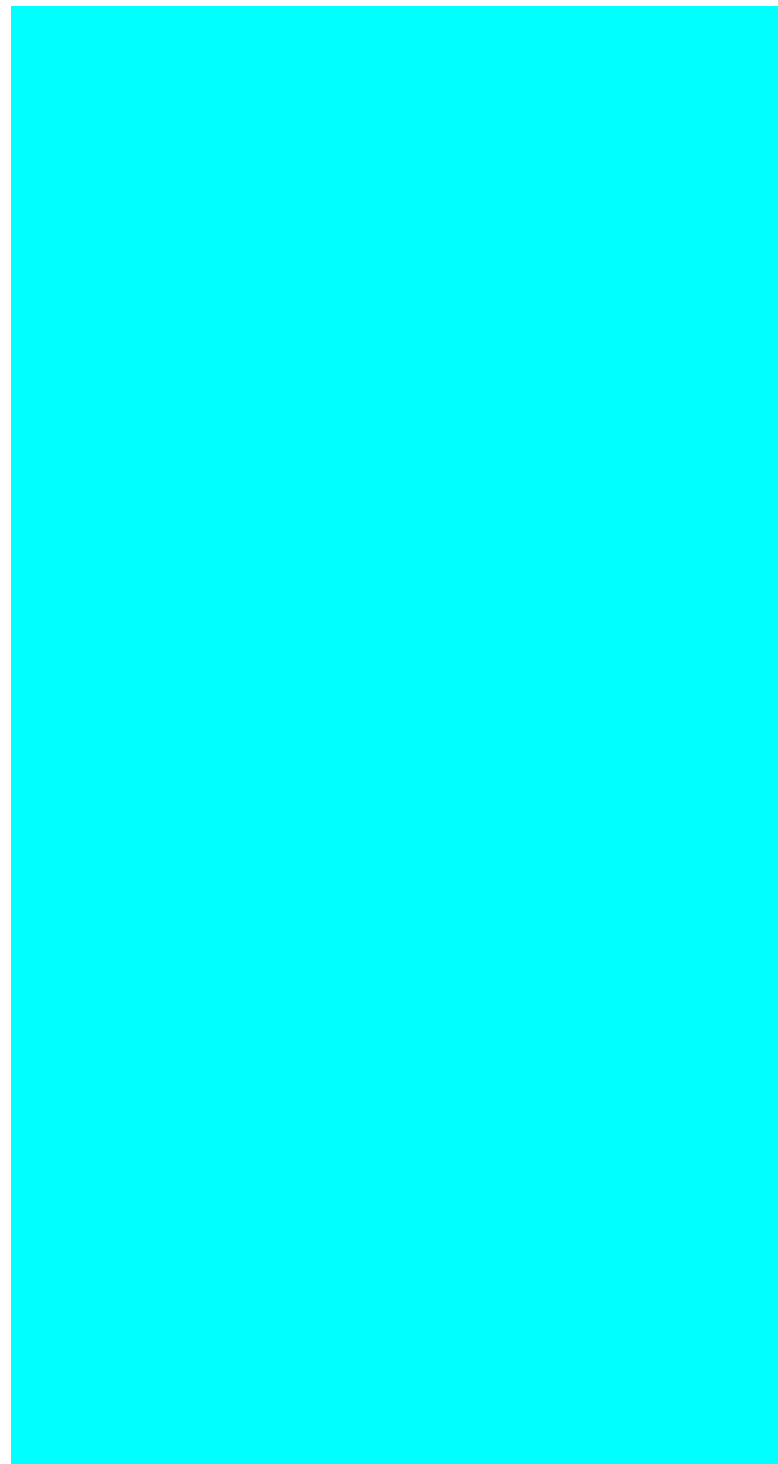
reference to file documentation

of account

ss income' is not the same as includes the notional value of vices provided in kind, for no or at a discount, ecluding led by volunteers.

y fees provided at less than a would be grossed up and gross income and in similarly with rooms provided authority etc etc

ften overlooked and can have for a number of threshold

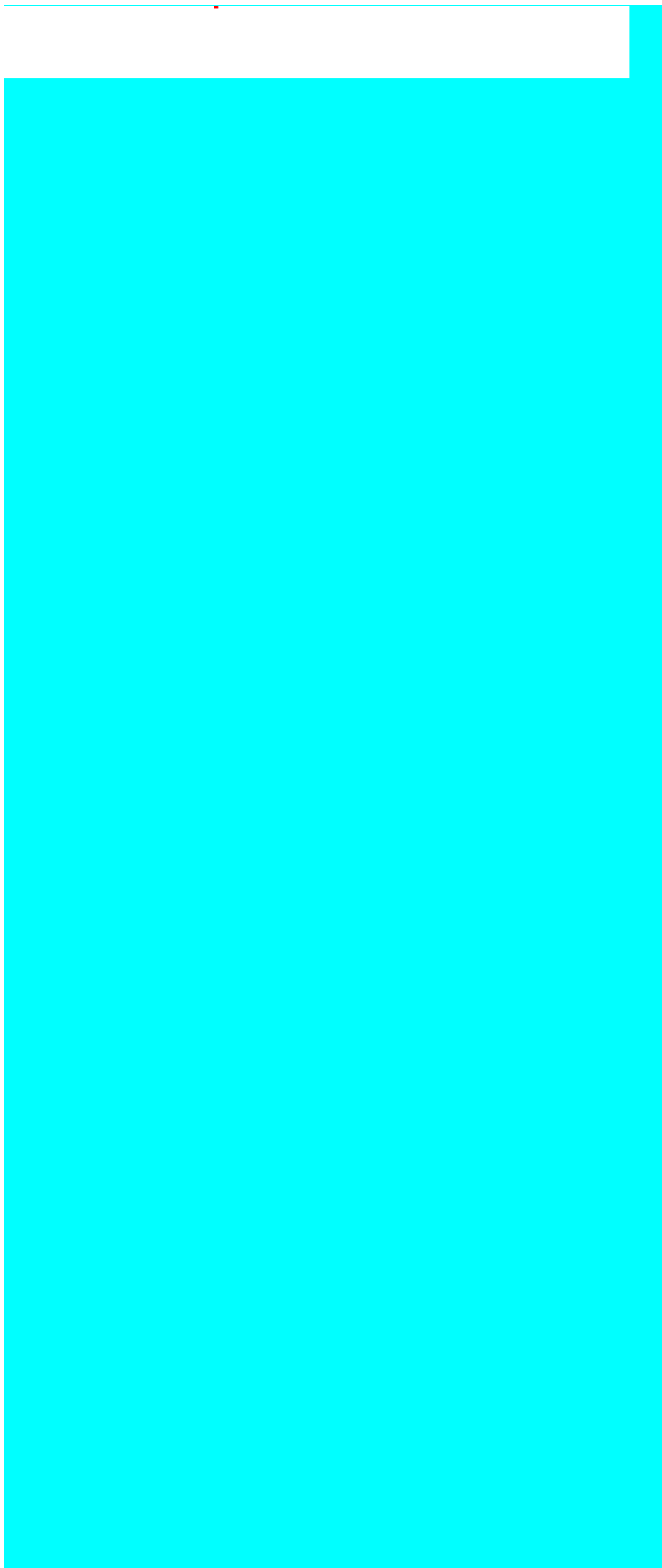


et in this template if correctly utilised should
t that :-

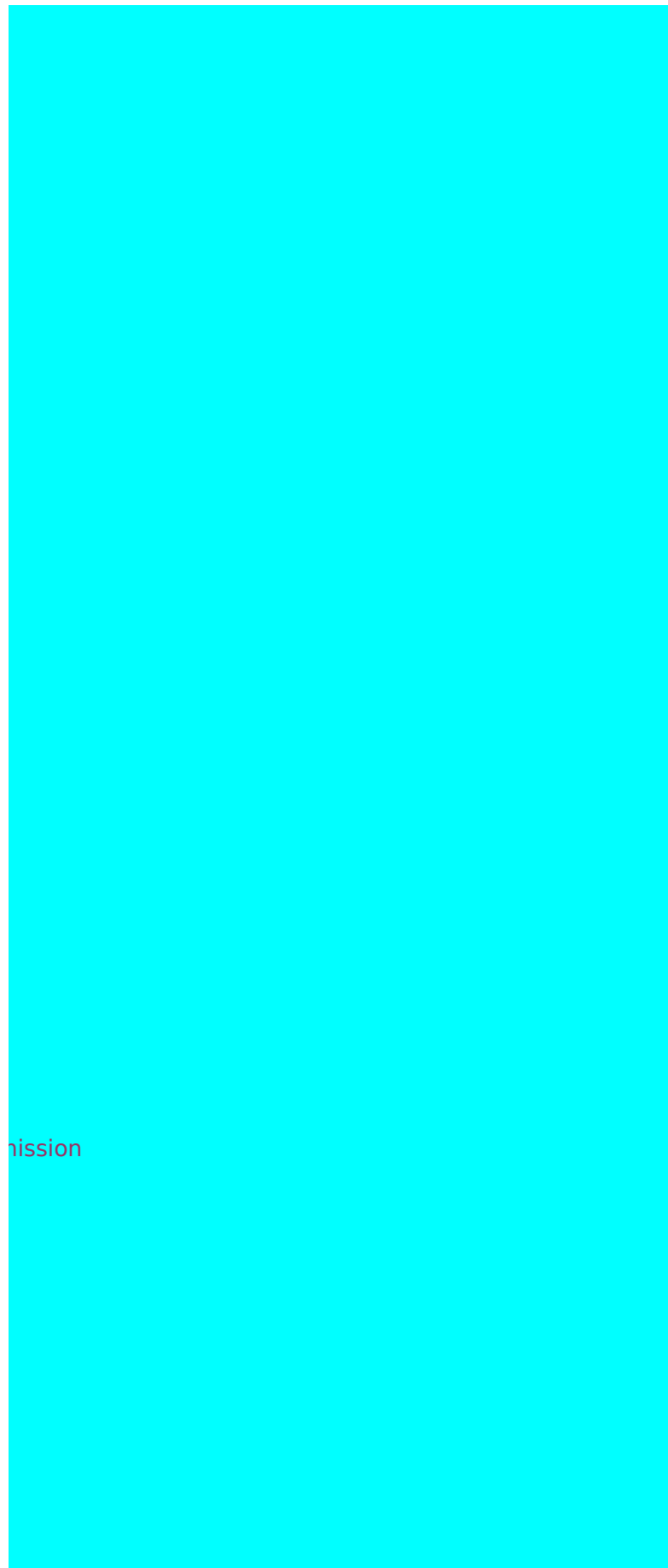
h these directions and guidance for unqualified

rith all current professional guidelines and
good practice in relation to the matters to be
ort

modification for qualified reports in accordance
elines and examples



www.gov.uk/investigations/inquiryreports/inqreps.asp



mission

Template h

Version 11

Company
TypeMethod
Version
Copyright

Cleared

Sep 1999

Sep 1999

Sep 1999

Sep 1999

Sep 1999

Sep 1999

Feb 2000

Feb 2000

Feb 2000

Oct 2000

Oct

10/01

Mar 2002

May 2002

Dec 2002

November 20

05/05

11/06

12/06

01/07

02/07

06/07

06/08

07/08

05/08

05/09

10/09

12/09

03/10

History - Type Charities

Change

HAWA

Small company adopting the Financial Reporting Standard for Smaller Entities (effective March 2000)

Trial balance to be entered manually

Version 5 - October 2000

VT Software Limited 1995-2000

Notes/ Comments/ Outstanding points

For advice on using this workbook, click on the Template Instructions button at the right-hand end of the VT toolbar, choose the VT Final Accounts Help Topics command from the Help menu, or refer to the printed user guide.

The words *applicable to small companies* are no longer required in the audit opinion and have been removed

Exceptional year 2000 software modification costs added to the Operating profit note

Exceptional costs associated with introducing the Euro added to the Operating profit note

The words *applicable to small companies* are no longer required in the audit opinion and have been removed

Exceptional year 2000 software modification costs added to the Operating profit note

Exceptional costs associated with introducing the Euro added to the Operating profit note

The words *(effective March 2000)* have been added to the reference to the FRSSE in the audit report

The words *and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000)* have been added to the Accounting Policies note in both the full and the abbreviated accounts.

The reference to the FRSSE at the foot of the full balance sheet has been removed

No changes

Revised for dividends ac

Revised to incorporate the requirements of the SORP 2001

Revision to treatment of capital reserves to comply with requirements of the Charity Commissioners that all funds should be carried forward on the SOFA

Further analysis available between restricted and unrestricted funds in the balance sheet including revaluation reserve and capital reserve

Inclusion of schedule of grants made and investment income received in detailed P&L

Inclusion of designated funds

Inclusion of a statement of total recognised gains

Inclusion of detailed reconciliation of all funds to balance sheet

Inclusion of suggested wordings in the trustees report that can be edited or selected to meet appropriate circumstances. These have been extracted from real life situations, but with all items that might identify the charity deleted.

Certain headings in the trustees report have been expanded . The method of election of trustees has been added to comply with recent SORP requirements

Examples of common situations have been given in the trustees report

Those items in the trustees report that are only mandatory in certain circumstances can now be autohidden. Those that are always mandatory cannot be so hidden

Comments have been added in the trustees report highlighting mandatory matters of disclosure. These can be edited out

A new section showing trustees in office at the date the accounts are approved has been added to comply with the SORP

A new section has been added to the trustees' report detailing adequacy of funds

Minor changes have been made to the text of trustees responsibilities, and a specific declaration of compliance has been added

Intangible incoming resources have been provided for to cover such items as seconded salaries

Gains on disposals of fixed assets is now included above the line as other incoming resources. If there are losses this line will have to be cut and pasted into the expenditure section

The option under the SORP has been taken to include an additional line in the SOFA for 'net incoming resources available for charitable applications'

The accounting policy notes have been adapted to cover a number of common situations, and can be modified to meet particular situations by editing.
Care should be taken when editing as certain phrases are mandatory

New accounting policy notes have been added to cover fund structures policies, investment policies, pension contributions, foreign exchange gains and losses, exceptional items , unrealised and realised gains, stocks and work in progress, charitable expenditure, investment property,inalienable assets and investments.

The note about indemnity insurance for trustees has been reworded

The notes relating to deferred funds and to third party funds have been laid out in a different manner consistent with corporate charity requirements

National insurance contributions have been analysed out in the staff note

The pensions disclosure relating to employees has been developed

The explicit negative statements relating to no trustees' remuneration and expenses have been included

There is now an analysis of assets and liabilities by type of fund

The headings on the fixed asset note have been expanded. If material the SORP requires analysis between fixtures, fittings and equipment on the one hand and plant and machinery and vehicles on the other. It may be necessary to amend the headings of the columns to meet particular circumstances

The fixed asset note has been modified to include the requirements of paras 223 and 230 of the SORP

The investment note has been expanded and has been more automated than before
However, there are specific situations not covered by the standard note and reference should be made to the SORP

Amounts due from subsidiary and associated undertakings can now be accommodated

within the debtors and creditors notes, but manual entry will have to be made to extract the figure from debtors or creditors

Reminder re disclosure of security is given under the loans note

This Charities Statement of Recommended Practice (SORP) is applicable to all accounting periods beginning on or after 1 April 2005. Early adoption is encouraged.

Any depreciation other than charitable expenditure (not common) will have to be manually entered

The statement of trustees' responsibilities has now been amended to comply with the suggested form in Practice Note 11 The Audit of Charities issued by the APB

Certain items on the data sheet have been eliminated as they are redundant as the information is also entered via the Trial Balance

Accounting policy notes modified to improve disclosure re para 36A Sch CA1985

Audit report modified to comply with present best practice

003 updates made to disclosures in notes to comply with developing practice

Revised to incorporate the requirements of the SORP 2005

Revised to include specific references to the SORP when relevant

Extracts from the SORP are included in the SORP worksheet

Greater use of text boxes, particularly in the trustees' report to facilitate editing

Greater use of flags such as '**INSERT**' to indicate where data should be input

Autohidden advisory notes to indicate the statutory source and explanation of disclosure requirements that can be used as a disclosure checklist.

Approval' and 'Review' boxes attached to the autohidden advisory notes

Revised to comply with the 2005 FRSSE

Links to various web based technical resources

This involved a major rewrite to meet the objectives as stated by the Charity Commission in their statement on the SORP (see SORP worksheet)

correct error in formula of movement of funds note

Library of standard texts updated

adjustments made to improve the autohide facility

adjustments made to the audit reports to comply with best practice

Library of sample texts extended and hyperlinks to it improved

correct error in formula of movement of funds note

Revisions to wording of reports etc

corrections to a reported error on the autohide on the investment note

Incorporated compilation report template converted to independent examination

Updated for the Charities Act 2006

Updated for the Companies Act 2006

Updated for the FRSSE 2007

Updated for the SORP 2005 revision in 2008

Layout of detailed schedule to SOFA improved

The above changes cover the transitional period from the old legislation to the new and will be further revised when the transitional period has ended

Modify the Examiner's Report to comply with Reg 31 of the 2008 Regulations

Correct error on reporting of legacies received

correct the transfer of comparative figures

change to the accounting policy note on the statutory basis of accounts preparation

change to the description of incoming resources under accounting policies

reference to irrecoverable VAT included in expenditure accounting policy

minor change to the reference to the FRSSE and FRS1

add automatic cross cast to the movements of funds note

Updated to include all aspects of CC31 June 2008 Directions and Guidance from the Charity Commission

Layout of detailed schedule to SOFA modified

Links to external resources updated

Complying with the new 'public benefit requirement' in the trustees' report

Disclosure checklist updated

Update to include the modifications to the SORP in June 2008

Changed the wordings of the balance sheet information to reflect Companies Act 2006

changes which apply to accounting poeriods commencing on or after 6th April 2008

Updated with new thresholds for accounting periods ending on or after 06/04/09

Greater clarity on disclosures on trustees' report

Revised exemption limits

Company number inserted in Balance Sheet in anticipation of new regulations

Statement of directors' responsibilities

1985 changed to 2006 and the word *proper* changed to *adequate*

All transitional information between old and new legislation removed

Help system improved to allow all SORP and legal material to be viewed via comments

Formal reports updated to accord with latest requirements

Correcting error in inclusion of professional fees in Detailed summary
as notified to us by a user

Revision of the guidance on audit exemption

Updated throughout for the Guidance to Scottish Charities issued by OSCR

Updated the Guidance covered in CC31 and CC32

Update the guidance for the trustees report

Updated the external links page

Made minor textual alterations to the statutory reports

The Home Page instructions were updated

Updated the Examiner's reports

Altered the 'look' of many elements without changing the substance

Check the Links page
for a wealth of external resources
[Links to external resources page](#)

Links to other parts of the accounts production

Tab to the relevant Excel worksheets in this template

Links [Links to external resources page](#)

TB [Trial Balance entry](#)

Data [Data sheet](#)

Cover [Front page of accounts](#)

Contents [Contents page of acs](#)

Director [Trustees Report](#)

Audit [Independent Examiner's Report](#)

PL [Statement of Financial Activities & I&E ac](#)

BS [Balance Sheet](#)

CF [Cash Flow Statement](#)

Notes [Notes to the accounts](#)

DetailPL2 [Detailed schedule to the SOFA](#)

Appendix [Activity analyses per the SORP](#)

Library [Standard texts and explanations](#)

Disclosure [Disclosure checklist](#)

History [Details of amendments to templates](#)

CFworking [Internal workings for cash flow](#)

Workings [Internal workings for acs](#)

CC31 [Independent Examination directions 2008](#)

[Or for charities in Scotland - see OSCR guidance](#)

riods

ction file

HAWA
Workings
at 31 March 2021

Normally no entries should be made to these pages as the integrity of the c
Intangible fixed assets previous years **£**

Goodwill:

Cost

B/fwd	-
Additions	-
Disposals	-
C/fwd	-

Amortisation

B/fwd	-
Provided during the year	-
On disposals	-
C/fwd	-

Net book value -

Net book value b/fwd per current year trial balance -

The workings below form the basis for the Fixed asset note. Whenever AutoHide is turned on or off the appropriate columns below are re-copied to the Notes sheet.

Tangible fixed assets

	Freehold Land and buildings £	Leasehold Land and Buildings £	Plant, Machinery & Vehicles £
Cost			
At 1 April 2020	-	-	-
Additions	-	-	-
Disposals	-	-	-
Surplus on revaluation	-	-	-
At 31 March 2021	-	-	-
Depreciation			
At 1 April 2020	-	-	-
On disposals	-	-	-
Surplus on revaluation	-	-	-
Charge for the year	-	-	-
At 31 March 2021	-	-	-
Net book value			
At 1 April 2020	-	-	-
At 31 March 2021	-	-	-

Tangible fixed assets previous year

	Land and buildings £	Leasehold Land and Buildings £	Plant, Machinery & Vehicles £
Cost			
At 1 April 2020	-	-	-
Additions	-	-	-
Surplus on revaluation	-	-	-
Disposals	-	-	-
At 31 March 2021	-	-	-
Depreciation			
At 1 April 2020	-	-	-
Charge for the year	-	-	-
Surplus on revaluation	-	-	-
On disposals	-	-	-
At 31 March 2021	-	-	-
Net book value	-	-	-

The workings below form the basis for the Investments note. Whenever AutoHide is or off the appropriate columns below are re-copied to the Notes sheet.

Investments

	Listed Investments £	# # Investments	Unlisted Investments £
Cost			
At 1 April 2020	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	-	-	-

Investments previous year

	Listed Investments £	# # Investments	Unlisted Investments £
Cost			
B/fwd	-	-	-
Additions	-	-	-
Disposals	-	-	-
C/fwd	-	-	-

data in the accounts may be affected

turned on

**Total
£**

—

—

—

—

—

—

—

—

—

—

—

—

[illegible]

—
—
—
—

—

—

[illegible][illegible]