South Armagh VIP Club for Blind and Partially Sighted People

Northern Ireland · Charity number 103793

Details

Known as	South Armagh VIP Club
Status	Received
Registered	2017-08-04
Register	View on the Charity Commission for Northern Ireland register

Contact

Address	Meigh Community Centre Killeavy Newry County Down Bt35 8sl BT35 8SL
Phone	02830849094

Activities

Purposes: The club is established for charitable purposes only, in particular, the club is established to: A. Provide opportunities for social inclusion and interaction, reducing the isolation of blindness,promoting self-help and independence, and thereby,enhancing the quality of life for blind and partially sighted people in the Club. B. To recruit and train sighted volunteers with revlevant skills to carry out objects of the club and act as sighted guides. C. To co-operate in the achievement of the above objects with any other organisation, stautory or voluntary having objects similar to those of the Club.

What the charity does: The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

How the charity works: Community development,Disability

Who the charity helps: Older people,Sensory disabilities

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£0	£402	£0	0

Trustees

Name	Role	Appointed
Mrs Lily Marmion		
Mrs Margaret Bennett		
Ms Caroline Williams		
Ms Linda Kernaghan		
Ms Teresa Devlin		

Accounts

Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £	Total funds to nearest £	Last year to nearest £
B1 Cash funds	-	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	Total cash funds	-	-	-	-	-
	(agree balances with receipts and payments account(s))	Funds error	OK	OK	Funds error	OK

Make sure that Cash Balances match the Cash Funds in Section A

	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £	Total funds to nearest £	Last year to nearest £
B2 Other monetary assets	-	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
				Total	-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)	Last year
B3 Investment assets			-	-	-
			-	-	-
			-	-	-
			-	-	-
		Total	-	-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)	Last year
B4 Assets retained for the charity's own use			-	-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
		Total	-	-	-

	Details	Fund to which liability relates	When due (optional)	Amount due (optional)	Last year
B5 Liabilities				-	-
				-	-
				-	-
				-	-
				-	-
			Total	-	-

Signed by one or two trustees on behalf of all the trustees	Signature	Print Name	Date of approval

Accounts

Receipts and payments accounts for smaller charities

How to prepare receipts and payments accounts

The Charity Commission for Northern Ireland

The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities.

Our vision

To deliver in partnership with other key stakeholders in the charitable sector "a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission's effective delivery of its regulatory role."

Further information about our aims and activities is available on our website www.charitycommissionni.org.uk

Equality

The Charity Commission for Northern Ireland is committed to equality and diversity in all that we do.

Accessibility

The Commission's website has been designed to **W3C standards** of accessibility and includes a number of features to enhance accessibility for a wide range of individuals. These include colour contrast and resize options. Materials may be made available in alternative formats on request. If you have any accessibility requirements please contact us.

Online or in print

If you are viewing this document online, you will be able to navigate your way around by clicking on links either within the contents page or text.

We have produced a glossary that provides further information, definitions and descriptions of some key terms. The words in **bold green type** indicate words that are found in the glossary towards the end of this document. If you are reading the document online you can click on the word and it will link you to the definition in the glossary. The words in *blue italics* indicate other guidance or databases.

Please check our website www.charitycommissionni.org.uk to make sure you're using the latest versions of forms and guidance.

Contents

Section 1: Overview

All charities must be aware of their legal requirements when preparing a charity's financial statements, the trustees' annual report and having these documents reviewed or audited. The Charity Commission for Northern Ireland (the Commission) has developed a suite of guidance to help charities understand their legal requirements. For help understanding which guidance documents apply to your charity you should read *ARR01 Charity reporting and accounting: guidance summary.*

All charity trustees should begin by reading *ARR02. Charity reporting and accounting: the essentials.* It is important that charity trustees read this guidance first as it provides information on the new accounting and reporting framework in place for registered charities from 1 January 2016, and an overview of The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. It also includes an important section on the requirement for all charities to have their accounts independently examined or audited.

The full list of accounting and reporting guidance includes:

ARR01. Charity reporting and accounting: guidance summary

ARR02. Charity reporting and accounting: the essentials

ARR03. Receipts and payments accounts

ARR04. Accruals accounts

ARR05. How to complete the annual monitoring return

ARR06. Charity reporting: Interim arrangements and the annual monitoring return – this guidance is no longer in use.

ARR07. Independent examination of charity accounts: examiner's guide

ARR08 The trustees' annual report and public benefit reporting

This document *ARR03 Receipts and payments accounts* is aimed at smaller charities.

You should read this guidance if you are a small charity that is not a company and you qualify to prepare receipts and payments accounts. Generally, this applies to charities with gross income of £250,000 or less. It provides detailed guidance on the new legal requirements and suggested formats for receipts and payments accounts. This guidance should be read alongside *ARR08 The trustees' annual report and public benefit reporting*

Section 2: About this guidance

Who does this guidance apply to?

This guidance is aimed at **charity trustees**, who may also be referred to by other terms, such as trustees, members of management committees, or directors of **charitable companies**, as well as anyone acting on behalf of a charity, for example a helper group, solicitor, accountant, agent or adviser.

The guidance applies to all types of charity, for example, charitable companies and charities that are not companies, such as unincorporated associations, industrial and provident societies and trusts.

What does this guidance cover?

This guidance covers the statutory requirements and suggested formats for registered charities in relation to producing a set of **receipts and payments accounts**. The requirements within this guidance apply broadly to charities that are not companies that are registered with the Commission and have an annual income of £250,000 or less.

Please note that these requirements will apply for your first full financial period beginning on or after 1 January 2016, **or** your date of registration with the Commission, if later. If you are in any doubt, the guidance below will assist you in identifying which requirements apply to you.

If you are a registered charity you must ensure your charity accounts and reports comply with the new accounting and reporting regulations. These apply to your **first full** financial year beginning on or after:

- 1 January 2016 **or**
- The date of registration with the Commission if later than 1 January 2016.

What does this guidance not cover?

This guidance does not provide a full overview of the accounting and reporting framework based on The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015, including the requirement for charities to prepare a trustees' annual report and have their accounts and reports reviewed or audited. It also does not cover the accounting and reporting requirements for charities that must prepare **accruals accounts**. This information is covered in other guidance documents, available on the Commission's website, which make up the suite of accounting and reporting guidance.

Accounting and reporting requirements for investment funds, organisations classified as **Section 167 charities**, and charities that have been linked by the Commission, for example **special trusts**, are not covered in this guidance. The reporting framework that applies to these types of charities will be set out at a later stage.

What will be published?

All charity accounts and reports will be published on the charity's entry on the online *register of charities*. The register will also display the compliance status of registered charities in relation to annual reporting. When a charity submits their annual reporting information within 10 months from the end of the reporting period, their entry on the register will display as 'Up-to-date'. However if a charity does not file their annual reporting information on time this will be displayed on the register as 'in default'.

The *register of charities* will also display some information provided through the annual monitoring return. Further information on what will be published is included in the Commission's *ARR05 How to complete the Annual monitoring return* guidance. For information on the Commission's approach to publishing decisions refer to the *Publishing our decisions* policy.

What are legal requirements and best practice?

In this guidance, where we use the word '**must**' we are referring to a specific legal or regulatory requirement. We use the word '**should**' for what we regard as good practice, but where there is no specific legal requirement.

Charity trustees should follow the good practice guidance unless there is good reason not to do so. For example, registered charities **must** apply the full accounting and reporting regulations to their accounts and reports prepared for the first full financial year beginning on or after 1 January 2016, **or** their date of registration with the Commission, if later. Charities in the process of registering, or yet to be called forward for registration, **should** plan in advance for complying with the full accounting and reporting regulations. This will help them to be prepared for their annual reporting obligations following registration.

Charity legislation

References in this document to 'the Charities Act' are to the **Charities Act (Northern Ireland) 2008**.

References in this document to 'the accounting and reporting regulations' are to The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

References in this guidance to the 'annual return regulations' are to The Charities (Annual Return) Regulations (Northern Ireland) 2015, prescribed by the Charity Commission for Northern Ireland.

Key terms

The following are some key terms you may find useful when reading this guidance. These, and other terms, are also listed in a glossary at the end of this guidance. Please familiarise yourself with each of the terms below. Even if you are a small charity you may, at some time in the future, for example due to an increase in income, be required to prepare accruals accounts. **Please note these terms are not listed in alphabetical order but in the logical sequence in which a charity will encounter them.**

Financial year (period): A charity's financial year or period is usually set out in its governing document. This will normally be 12 months but, in certain circumstances, it can be shorter or longer. For charities that are not companies, it can vary but cannot be more than 18 months. Different rules apply for charities that are companies. Additionally, charities that are grant aided schools must not have a financial period of more than 15 months.

Receipts and payments accounts: This is a form of accounting that consists of a summary of all monies received and paid via the bank and in cash by the charity during its financial year, along with a statement of balances. **Company law** requirements mean that a charitable company cannot prepare its accounts on a receipts and payments basis.

Accruals accounts: Refers to accounts prepared on a 'true and fair' basis in accordance with accounting standards and the methods and principles of the applicable Statement of Recommended Practice (SORP). In contrast to receipts and payments accounts, where income and expenditure is accounted for only when the money is received or paid out, accruals accounts record the income of a particular activity when there is entitlement or probability about income, and expenses, when the liability is incurred. This is not necessarily the same date on which money is received or paid out. Accruals accounts prepared in accordance with the Charities SORP must contain a balance sheet showing the charity's financial position at the end of the year, a statement of financial activities (SoFA), a cashflow statement (if applicable) and explanatory notes to the accounts. The SoFA should show all incoming resources, and resources expended during the year (and for company charities only, an income and expenditure account, except where the SoFA incorporates the income and expenditure account).

Statements of Recommended Practice (SORPs): Statements of Recommended Practice (SORPs) supplement accounting standards and other legal and regulatory requirements in light of the special factors prevailing or transactions undertaken in a particular sector and their application is relevant to the 'true and fair' view required of charity accounts. For general charities this is the Accounting and Reporting by Charities: Statement of Recommended Practice FRS 102 (Charities SORP FRS102).

Applicable SORP: Under charity law, general charities must apply The Accounting and Reporting by Charities: Statement of Recommended Practice FRS 102 (Charities SORP FRS102). Special case charities must apply, as relevant, either the Statement of Recommended Practice: Accounting for Further and Higher Education or the Housing SORP 2014: Statement of Recommended Practice for registered social housing providers.

Charities SORP: This means Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator on 16 July 2014, also known as the Charities SORP. It provides a comprehensive framework that enables charities to adopt a consistent interpretation of UK financial reporting standards (FRS) as well as account for those transactions that arise when undertaking charitable activities. The Charities SORP applies to all general charities that prepare accounts on an accruals basis.

General charity: This means any charity other than a special case charity or an investment fund.

Relevant financial year: This means the financial year in respect of which the charity accounts or group accounts are prepared.

Previous financial year: This means the financial year immediately preceding the current financial year.

Gross income: The Charities Act defines gross income to mean the gross recorded income from all sources including special trusts. For accounts prepared on a receipts and payments basis gross income is simply the total receipts recorded in the statement from all sources excluding the receipt of any endowment, loans and proceeds from the sale of investments or fixed assets.

Independent examination: An independent examination is a simpler form of scrutiny than an audit but it still provides trustees, funders, beneficiaries, stakeholders and the public with an assurance that the accounts of the charity have been reviewed by an independent person. Depending on the size of the charity an independent examination may be carried out by either an independent person with the requisite ability and experience or by a person who is a member of one of the professional bodies listed in section 65(5) of the Charities Act.

Trustees' annual report: A trustees' annual report is produced by the charity trustees and, along with your accounts, tells people:

- about your charity's work
- where your money comes from
- how you've spent your money in the past year.

It must also include administrative information about the charity such as where the charity is based and who the charity trustees are. Minimum requirements are set out in the accounting and reporting regulations. Charities preparing accruals accounts must also incorporate the requirements set out in the Charities SORP. Larger charities must provide more detail within the trustees' annual report than smaller charities. All charities must explain how the activities undertaken during the year have furthered the charity's purposes for the public benefit. Further information can be found in *ARR08: The trustees' annual report and public benefit reporting*.

Section 3: Introduction to receipts and payments accounts

3.1 What are the legal requirements for receipts and payments accounts?

Receipts and payments accounts are created using a simple form of accounting that summarises all monies received and paid via the bank and in cash, by the charity, during its financial year.

Charities that prepare receipts and payments accounts must include **four** related documents in their accounts and reports. These are:

1. a **trustees' annual report** - giving details about how activities undertaken during the year have furthered the charity's purposes for the public benefit (see *ARR08 The trustees' annual report and public benefit reporting* for more detail).
2. a **receipts and payments account** - this should provide an analysis of the incoming and outgoing cash for the year (see section 4 of this guidance)
3. a **statement of assets and liabilities** – this should outline the charity's main assets and liabilities at the end of the year, including the cash balances at the year-end (see section 4.2 of this guidance).
4. an **external scrutiny report** – from an independent examiner or auditor (see *ARR02 Charity reporting and accounting the essentials guidance* for more detail).

The main differences between receipts and payments and accruals accounts are detailed below.

- In receipts and payments accounts no adjustments are made for the timing of the income or payments to bring them into line with the activities which they relate to.

  For example, a charity has an agreement with their landlord to pay £12,000 rent per annum, by paying £3,000 per quarter in advance. Under receipts and payments accounts, the rent expense is only recorded when a physical payment is made. If the charity makes a payment just before the end of the financial year, because they have paid in advance, the £3,000 must be included in the current year accounts, not the following year accounts that it actually relates to. The rent expense shown in the receipts and payments accounts for that year will be £15,000.

- The amount spent or received for the purchase or sale of fixed assets for cash would be included in receipts and payments accounts although these items should form a separate category from other items in the accounts as they do not represent resources moving into or out of the charity. Liabilities and assets owned by the charity should be shown separately on the statement of assets and liabilities. See Section 5 for further information.
- Changes in the value of assets, such as **Investments**, buildings, and **Debtors**, are not included in receipts and payments accounts. This means that receipts and payments accounts will not contain any amounts for depreciation, gifts in kind, bad debts or gains and losses on sales of investments or fixed assets.

Receipts and payments accounts are not expected to show a 'true and fair view' of the charity's financial activities and state of affairs, as is required with accruals accounts. **Accounting standards**, which are primarily concerned with the presentation of a 'true and fair view', do not apply to receipts and payments accounts. However, receipts and payments accounts must give sufficient detail to enable a reader to gain an appreciation of the transactions of the charity and of any surplus or deficit. This means:

- receipts and payments accounts should be prepared in a consistent way from year to year and
- if valuations are provided in the statement of assets and liabilities, they should be relevant, reliable and understandable.

3.2 Can my charity prepare receipts and payments accounts?

Normally, a charity's **gross income**, and the nature of the organisation, will determine the type of accounts the charity must prepare. If your charity is not a company, and has an annual gross income of £250,000 or less, then it can usually prepare receipts and payments accounts. This is the case unless there is a requirement to prepare accruals accounts as a result of:

- requirements within the governing document of the charity
- any enactment that says the organisation must prepare accruals accounts (for example, the Companies Act)

- a decision made by trustees to prepare accruals accounts.

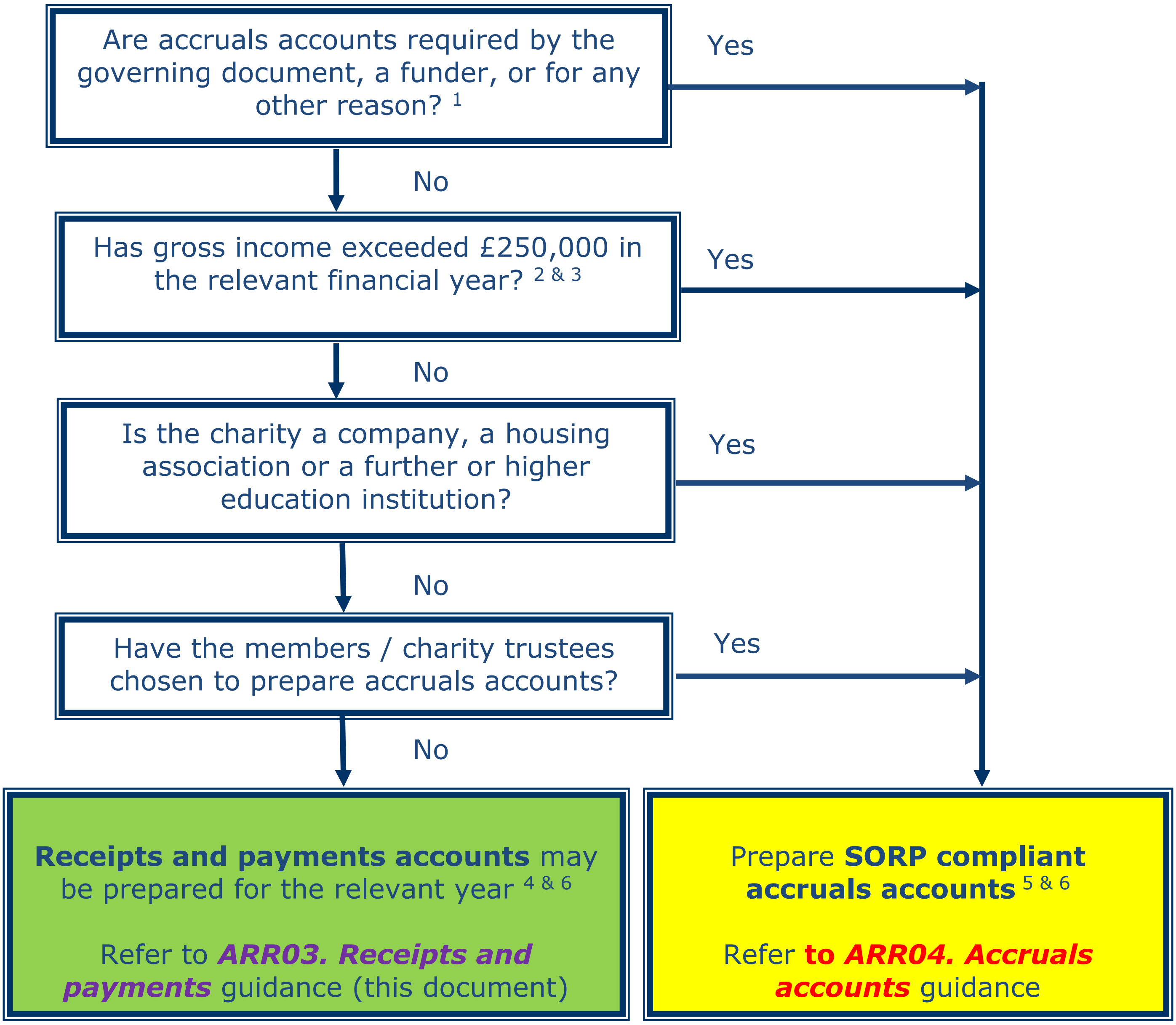
There are some occasions where, although the law allows receipts and payments accounts to be prepared, it may be preferable to prepare accruals accounts. This is usually because accruals accounts can provide a clearer picture of the charity's activities and financial affairs than receipts and payments accounts. The following are examples of such occasions.

- Donors require accruals accounts to be prepared as a condition of their grant.
- Trustees need to explain more about the use of their resources than simply through cash movements, for example, when
  - a charity has significant non-cash assets, or fixed assets which the trustees would like to value and depreciate in the accounts or
  - a charity has received significant non-cash donations (gifts in kind or valuable gifts of services).
- The charity, despite having an income under the threshold, is growing in size or complexity, for example, the charity has begun to use a trading subsidiary or is involved in joint operations with other charities.
- The charity has significant receipts or payments arising from asset and investment sales and purchase, and the trustees consider that the preparation of accruals accounts would explain these transactions more clearly.
- The charity carries out its activities mainly by making programme related investments by way of equity or loan, rather than by making grants to beneficiaries, and the trustees consider that the preparation of accruals accounts would explain these transactions more clearly.

Charities that are not companies and are not yet registered with the Commission, or that are preparing accounts for a financial year that begins before 1 January 2016, must still keep proper accounting records and prepare a receipts and payments or an income and expenditure account under the Charities Act (Northern Ireland) 1964.

Charities that are not permitted to prepare receipts and payments accounts must prepare accruals accounts in accordance with the relevant SORP. The flowchart at Figure 1 on the following page sets out the considerations when determining which type of accounts you must prepare.

Figure 1 – Preparing accounts



Notes

1. These rules do not apply to grant aided schools under regulation 5(3) of the Charities (Accounts and reports) Regulations (Northern Ireland) 2015.
2. Charities must be registered with the Commission for the form and content regulations to apply.
3. These rules apply to registered charities for financial years beginning on or after 1 January 2016 or date of registration with the Commission if later.
4. Under section 64 (3) of the Charities Act (Northern Ireland) 2008.
5. Under regulation 8,9 or 10 of The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.
6. Charities should also be aware that, depending on their particular circumstances, the accounts they prepare may also need to comply with other legislative requirements.

Section 4: What must be in the receipts and payments accounts?

While there are no statutory requirements for the format of receipts and payments accounts, charities should consider how best they can report what readers of the accounts might want to know.

4.1 The receipts and payments account records and summarises cash movements only

Receipts and payments accounts are statements that summarise the movement of cash into and out of the charity during the financial year. In this context, 'cash' includes cash equivalents such as money held in a bank or building society account.

The accounts should not report all individual receipts and payments, as would be recorded in a cash book, but should summarise similar items. For example, all voluntary donations received should be added together and shown as one entry and all payments for one activity or cost category can be shown as one entry. Significant items such as a large grant may, for clarity, be shown separately in the accounts or explained in a note to the accounts.

The accounts should clearly identify three main types of transactions which help the readers of the accounts to see how the charity has received income, paid out money and made transfers. These are detailed below.

- **Receipts** - income received to support the charity's activities.
- **Payments** – money paid out by the charity in undertaking its activities.
- **Transfers** - transfers to and from assets and investments, and from one type of fund to another, for example, from an **unrestricted fund** to a **restricted** fund in order to meet a deficit on a project.

You should show receipts or payments received from the sale or purchase of assets and/or investments on a separate row. Receipts and payments from the disposal or purchase of assets and investments do not increase or decrease the assets of the charity, rather, they convert them from one form to another. Receipts from the sale of fixed assets and/or investments should not be included in the gross income calculation for threshold purposes.

4.1.1 Accounting for separate funds

Trustees must be able to account separately for each unrestricted, restricted, and endowment fund that they manage. You can identify these funds by reviewing the definitions below.

- **Unrestricted funds** are funds that the trustees are able to spend for any of the charity's purposes.
- **Restricted income** funds are funds that the trustees can only spend on particular purposes, as set out by a donor or in an appeal document, that are narrower than the charity's purposes.
- **Endowment fund**, in simple terms, refers to a gift of property or money given to a charity as a restricted fund. Trust law requires a charity to invest the assets of an endowment, or to retain them for the charity's use in furtherance of its charitable purposes, rather than apply or spend them as income. The income generated from endowment funds held for investment is then used to further the purposes of the charity. Information on endowment funds and the rules which apply when preparing the accounts of an endowment fund which consists of investments are available in the next section.

While you must be able to account separately for each fund you manage, a separate bank account is not required for each, provided that the trustees can identify the receipts and payments of each fund and the related assets and liabilities. When preparing year-end accounts, trustees may either prepare a separate receipts and payment account for each fund they manage or combine all types of fund in a single statement showing each type of fund in a separate column.

The *receipts and payments toolkit* adopts an approach that allows trustees to prepare a single statement covering all categories of funds. An example of this is provided at Figure 2.

4.1.2 Endowment funds

There are two forms of endowment, permanent and expendable, each of which is explained below:

- **Permanent endowment** is a type of endowment fund where the trustees cannot spend the capital. These funds are normally held indefinitely.

- **Expendable endowment** is a type of endowment fund where the trustees can, under certain conditions, spend the capital as if it were income.

Where a charity has an endowment fund which consists of investments then the following rules apply when preparing the accounts.

- Receipts generated by endowment fund assets (for example, dividends, interest or rent) should not appear in the endowment funds column but in the unrestricted funds column, or restricted funds column if the receipt can only be applied for a restricted purpose.

- Receipts from the disposal of investments, or payments to acquire new investments, should be included within the endowment column.

- Payments made for managing the fund can be taken from the capital of the investments in the fund. However, the **investment management costs** must not be paid from the endowment capital if the governing document of the endowment says they cannot or there are insufficient capital funds available in the endowment to meet such costs.

In these cases investment management costs may need to be charged against unrestricted funds.

4.1.3 Classification by activity or nature

Receipts and payments can be classified in two ways, by 'nature' or 'activity':

Classification by nature – 'natural' classification: This is where receipts and payments are categorised according to the nature of the income or expense. Examples include, but are not limited to:

- payments shown as rent, travel and subsistence, salaries and wages, telephone or electricity

- receipts classified as donations, trading income, rental income or proceeds from activities such as jumble sales.

Classification by activity – 'activity' classification: This is where receipts and payments are classified by the activity for which they were received or spent. An activity is a project, programme of work, or action that furthers one or more of a charity's purposes, or is undertaken to raise funds for the charity. Receipts are described according to the activity that produced the income for the charity.

Payments are described by the costs incurred in pursuit of a defined purpose, for example, provision of services to the elderly or counselling. This is achieved by adding together all the costs, for example:

- for payments this means adding together all the costs of generating funds, charitable activities and governance, for example, salaries, rent, or travel, relating to that specific activity.
- for receipts this means adding together all the income from generated funds and **receipts from charitable activities**.

In most cases, it will be clear which activity generated the income or expenditure. Examples include, but are not limited to:

- a charity running a care home could use the description 'residential care fees' within 'income from charitable activities' and 'residential care costs' under 'expenditure on charitable activities'
- a charity selling donated goods through a shop could use the description 'shops' under 'income from other trading activities' and 'expenditure on raising funds'
- an arts charity providing a mix of paid for and free services could use the description 'admission fees for galleries and exhibitions' within 'income from charitable activities' and 'operation of art gallery and touring exhibitions to schools and community' under 'expenditure on charitable activities'
- an endowed grant-making charity, mainly making grants to advance education, could classify this income under 'investment income' and 'grants to education and research institutions, student bursaries and other grants' under 'expenditure on charitable activities'.

The receipts and payments accounts at Figure 2 provide an example of activity classification. For further details on activity and natural classification for the receipts and payments accounts please see the introductory notes that accompany the *receipts and payments toolkit* on the Commission's website.

You can prepare your charity's accounts using either method of classification. Classifying receipts and payments by their nature is likely to be more straightforward for charities when preparing their accounts. However, classifying receipts and payments by activity should help readers of the accounts understand how the charity's expenditure fulfils its purposes.

4.1.4 Apportionment

Sometimes payments are made, or receipts received, for more than one activity, for example, stationery that is purchased and used for both fundraising and charitable purposes. Equally, payments may be made, or receipts received, for more than one fund, for example, a payment is partly for routine property maintenance and partly for an improvement funded by a restricted grant.

In such cases, the payment should be 'apportioned' on a reasonable basis and charged to the activities or funds to which that payment relates. That is, a proportion of the payment is allocated to each activity or fund based on a reasonable estimate of how it is shared out.

If payments are analysed using an 'activity' classification then it is likely that payments will often require apportionment. For example, an administrator role incorporates acting as both a fundraiser and an advice centre staff member and is paid a salary of £18,000 per annum. In this example, an estimate should be made of a reasonable cost to be charged to each activity. If the administrator shares time equally between the two roles, then it would be reasonable to share the costs equally between the two activities, £9,000 to fundraising and £9,000 to charitable activities.

Where a single payment or receipt relates to different funds, for example, restricted and unrestricted, this must also be apportioned reasonably between the respective funds in the charity accounts.

Figure 2: Example receipts and payments accounts

Statement of Receipts and Payments – Year Ended 31 March 2017

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	**Total 2017 £**	Total 2016 £
Receipts					
Voluntary Receipts					
Donations & Gift Aid	629	-	10,000	**10,629**	398
Grants	1,000	1,500	-	**2,500**	1,000
Legacy	150	-	-	**150**	-
Fundraising appeals	1,231	-	-	**1,231**	1,802
Bank Interest	147	-	-	**147**	231
From Charitable Activities					
Membership Fees	10,763	-	-	**10,763**	9,904
Summer Outing	1,478	-	-	**1,478**	1,577
	15,398	1,500	10,000	**26,898**	14,912
Payments					
Cost of Fundraising	389	-	-	**389**	207
Cost of Charitable Activities	14,457	-	-	14,457	13,942
Grants & Donations	100	-	-	**100**	100
Governance Costs	260	-	-	**260**	177
Asset and investment purchase					
Purchase of Equipment	639	1,171	-	**1,810**	401
Total Payments	15,845	1,171	-	**17,016**	14,827
Net receipts/(payments)	(447)	329	10,000	**9,882**	85
Transfers to/(from) funds	(171)	171	**-**	**-**	**-**
Surplus/(deficit) for the year	**(618)**	**500**	**10,000**	**9,882**	85
Reconciliation 31.3.17					
Cash at bank & in hand 31.3.16	4,192	-	-	**4,192**	4,107
Surplus/(deficit) this year end	(618)	500	10,000	**9,882**	85
Cash at bank & in hand 31.3.17	3,574	500	10,000	**14,074**	4,192

4.2 The statement of assets and liabilities

The charity’s accounts must include a statement of assets and liabilities in addition to the receipts and payments account. This should outline the charity’s main assets and liabilities at the end of the year, including the cash balances at year-end.

The statement of assets and liabilities is in place of a balance sheet, which is required for accruals accounts, and should provide sufficient detail to give a broad understanding of the type of assets controlled by the trustees and any material **liabilities** that need to be met from the funds.

There is no need to list all individual assets such as each chair and table or each individual holding for listed investments, rather, similar assets can be grouped together. However, the list should be sufficient to identify the main categories of asset held by the charity, for example, office furniture. If assets belong to a restricted or endowment fund you should note this on the statement.

A description of assets held may be sufficient unless an amount or value is needed to provide a meaningful understanding of the asset. For example, in the case of cash and other monetary assets, such as building society deposits, the cash value would be given.

Trustees should take a reasonable approach to a valuation. Possible approaches would be using the assets’ cost or insurance value or, for listed shares, the market value. Professional valuations are not required, but if one is available, perhaps as a result of an insurance survey, then this may be used.

An example of a Statement of Assets and liabilities is provided at Figure 3 on the following page. The Commission has also published supporting guidance, examples, and a template that gives further details on how you might present a statement of assets and liabilities in your charity’s accounts. Guidance can be found in the annual reporting section of the Commission’s website: Annual reporting. The *receipts and payments toolkit* template provides spaces to give details of each class of assets and liabilities held.

Figure 3: Example Statement of assets and liabilities

Statement of assets and liabilities – Year Ended 31 March 2017

Funds Reconciliation	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	**Total 2017** £	Total 2016 £
Cash at bank & in hand 31.3.16	4,192	-	-	**4,192**	4,107
Surplus/(deficit) this year end	(618)	500	10,000	**9,882**	85
Cash at bank & in hand 31.3.17	3,574	500	10,000	**14,074**	4,192

Bank & Cash Balances		
Bank Deposit Accounts	**13,500**	3,000
Bank Current Account	**535**	1,148
Cash in Hand	**39**	44
	14,074	4,192

Other Assets (Unrestricted Fund)		
Play equipment (estimated value)	**750**	600
Wheelchairs (at cost)	**1,171**	-
Membership fees due	**110**	65
Gift Aid accrued on donations at year end	**101**	78
	2,132	743

Liabilities (Unrestricted Fund)		
Village Hall (hire fee owed)	**307**	116

Approved by the trustees on 20 June 2017 and signed on their behalf by:

....	**......................................**
Nicola Brown	**Raymond Davies**
Chair	**Treasurer**

4.2.1 Gifts of assets and services

Gifts of assets and services are not included in receipts and payments accounts. Gifted assets should, however, be included in the statement of assets and liabilities. There is no requirement to value volunteers' time, although trustees may refer to the contribution made by volunteers in the **trustees' annual report** or in a note to the accounts.

4.2.2 Notes to the accounts

Notes to the accounts are not required as part of receipts and payments accounts, however, if notes would help the reader to have a better understanding of the accounts, they should be added. Examples of notes that may be included are:

- information about significant non-monetary resources, for example, donated goods and services
- a brief note on transactions with **related parties** and trustees
- details of any remuneration or expenses paid to a trustee or related party
- details of the movement of particular restricted funds which may be useful to donors who stipulated how money was to be spent.

Alternatively, these matters may be included in the trustees' annual report if separate notes to the accounts are not prepared.

4.3 Help preparing receipts and payments accounts

In addition to this document, the Commission has produced supporting guidance which is available on our website to help you prepare receipts and payments accounts. This includes the following.

- *Receipts and payments toolkit* for charities that do not wish to design their own accounts. It can also be used as a checklist for the accounts you have designed yourself.
- *Examples of receipts and payments accounts* including real examples of good practice receipts and payments accounts.

Appendix 1: Glossary

Term	Definition
Accounting standards	Accounting standards are authoritative standards for financial reporting and are the primary source of generally accepted accounting principles (GAAP). Accounting standards specify how transactions and other events are to be recognised, measured, presented and disclosed in financial statements in a way that reflects economic reality and hence provides a true and fair view.
Accruals accounts	Refers to accounts prepared on a 'true and fair' basis in accordance with accounting standards and the methods and principles of the applicable Statement of Recommended Practice (SORP). In contrast to receipts and payments accounts, where income and expenditure is accounted for only when the money is received or paid out, accruals accounts record the income of a particular activity when there is entitlement or probability about income, and expenses, when the liability is incurred. This is not necessarily the same date on which money is received or paid out. Accruals accounts prepared in accordance with the Charities SORP must contain a balance sheet showing the charity's financial position at the end of the year, a statement of financial activities (SoFA), a cashflow statement (if applicable) and explanatory notes to the accounts. The SoFA should show all incoming resources, and resources expended during the year (and for company charities only, an income and expenditure account, except where the SoFA incorporates the income and expenditure account).
Charitable company	This is a charity which is formed and registered under the Companies Act 2006 or a charity which was already established under previous companies legislation. It is registered with Companies House. Its governing document is its articles of association and it has its own legal identity. It must be established for exclusively charitable purposes.
Charities Act (Northern Ireland) 2008	The Charities Act (Northern Ireland) 2008 is the main piece of legislation establishing the Charity Commission for Northern Ireland and setting out its functions and powers. References to 'the Charities Act' are to the Charities Act (Northern Ireland) 2008. The full content of the Charities Act can be found at www.legislation.gov.uk Not all of the sections of the Charities Act are in force yet. Details of the sections that are in force are available on the Commission's website www.charitycommissionni.org.uk
Charity trustees	These are the people who are legally responsible for the control and management of the administration of a charity. In the charity's

Term	Definition
	governing document they may be called trustees, managing trustees, committee members, governors or directors or they may be referred to by some other title. Some people are disqualified by law from acting as charity trustees. These disqualifications are set out in the Charities Act and broadly include but are not limited to anyone who: • has been convicted of an offence involving deception or dishonesty, unless the conviction is a spent conviction under the Rehabilitation of Offenders (NI) Order 1978 • is an undischarged bankrupt or has made an arrangement with creditors • has previously been removed as a trustee by the Commission or by the Courts • is subject to disqualification under company legislation.
Company law	Throughout this guidance, references to company law are to the Companies Act 2006. The full content of the 2006 Act can be found at www.legislation.gov.uk
Costs of charitable activities	Costs of charitable activities are all the payments made in undertaking a charity's work to deliver its charitable purposes for the public benefit and include: • grants to individual beneficiaries for charitable purposes and/or paid to charitable and other institutions • payments for goods/services provided to beneficiaries • payments for charitable activities, for example, the provision of advice.
Debtors	Persons or organisations that owe money to the charity, normally for supplies of goods or services but also for loans made and legacies.
Endowment funds	In simple terms, an endowment fund is a gift of property or money given to a charity as a restricted fund. Trust law requires a charity to invest the assets of an endowment, or to retain them for the charity's use in furtherance of its charitable purposes, rather than apply or spend them as income. The income generated from endowment funds held for investment, are then used to further the purposes of the charity.
Expendable endowment	Expendable endowment is a type of endowment fund where the trustees have the option, under certain conditions, to spend the capital as if it were income of the charity.
Financial year	A charity's financial year or period is usually set out in its governing document. This will normally be 12 months but, in certain circumstances, it can be shorter or longer. For charities that are not companies, it can vary but cannot be more than 18 months. Different rules apply for charities that are companies. Additionally, charities

Term	Definition
	that are grant aided schools must not have a financial period of more than 15 months.
Gross income	The Charities Act defines gross income to mean the gross recorded income from all sources including special trusts. For accounts prepared on a receipts and payments basis gross income is simply the total receipts recorded in the statement from all sources excluding the receipt of any endowment, loans and proceeds from the sale of investments or fixed assets. For accruals accounts this is the income from all sources in the accounting period, including the conversion of endowment to income, but excluding: gifts of endowment, net investment gains/(losses), all revaluation gains/(losses)on retained assets not due to impairment, actuarial gains/(losses) and such other gains(losses) that are excluded by accounting standards from the calculation of net income.
Investment management costs	Investment management costs include the costs of: • portfolio management • obtaining investment advice • administration of the investments • costs of licensing intellectual property and • rent collection, property repairs and maintenance charges.
Investments	Assets that are held to generate a return by way of income, capital growth or both. Investments may include government gilts, shares, bonds and deposit accounts when held as an investment.
Liability	Liability is an obligation to pay for something. Liabilities include, but are not limited to, loans, creditors, and bank overdrafts.
Permanent endowment	The property of the charity, for example land, buildings, investments or cash which the charity trustees may not spend as if it were income. It must be held permanently, sometimes to be used in furthering the charity's purposes, sometimes to produce an income for the charity. Charity trustees can only spend or dispose of permanent endowment if they use the powers in the Charities Act that allow this or if they obtain our authority.
Receipts and payments accounts	This is a form of accounting that consists of a summary of all monies received and paid via the bank and in cash by the charity during its financial year, along with a statement of balances. Company law requirements mean that a charitable company cannot prepare its accounts on a receipts and payments basis.
Receipts from charitable activities	Consist of receipts from trading within the charity's purposes. Examples of this type of trading receipt include fees received in a playgroup, fees for advice or counselling services and the sale of

Term	Definition
	religious booklets by a religious charity. Sometimes grants received (for example from local authorities) are more like trading receipts (for example where there is a service level agreement). When this is the case, it is acceptable for grants to be included here instead of as voluntary receipts.
Related parties	Related parties are those parties with whom the charity has a relationship that might inhibit it from objectively pursuing its own separate interests. This will include charity trustees, those connected with a charity trustee by, for example, a close family relationship, and any other party that can exert significant influence over the operations of the charity.
Restricted income	Restricted income are those funds that the charity trustees are obliged to spend only on particular purposes set out by the donor or in an appeal document and these particular purposes are narrower than the charity's purposes.
Section 167 charities	Under section 167 of the Charities Act these are organisations which are not charities under the law of Northern Ireland, and have their main base outside of Northern Ireland, but which operate for charitable purposes in or from Northern Ireland. These organisations may be required to apply for registration with the Commission however their annual reporting obligations may be different. Section 167 institutions will not be called forward until the Department for Communities has made regulations outlining the financial statements and statements of activities which such institutions will be required to submit to the Commission. Further details will be available once the regulations are made and consulted on.
Special trust	A special trust means funds or property held and administered on its own separate trusts by or on behalf of a main charity for any special purposes of that charity. It follows that the objects of a special trust must be narrower than those of the main charity. Sometimes these funds are separate charities, run and administered by its own charity trustees, and at other times the funds are part of a main charity.
Trustees' annual report	A trustees' annual report is produced by the charity trustees and, along with your accounts, tells people: • about your charity's work • where your money comes from • how you've spent your money in the past year. It must also include administrative information about the charity such as where the charity is based and who the charity trustees are. Minimum requirements are set out in the accounting and reporting regulations. Charities preparing accruals accounts must also

Term	Definition
	incorporate the requirements set out in the Charities SORP. Larger charities must provide more detail within the trustees' annual report than smaller charities. All charities must explain how the activities undertaken during the year have furthered the charity's purposes for the public benefit. Further information can be found in *ARR08: The trustees' annual report and public benefit reporting*.
Unrestricted funds	Funds which the charity trustees are able to spend at their discretion for any of the charity's purposes. Unrestricted funds may also contain part of the unrestricted funds which the charity trustees have earmarked for a particular purpose; these earmarked funds are called designated funds. Such designated funds are legally part of the unrestricted funds, though they may be reported separately in the balance sheet or notes, where accruals accounts are prepared, or as part of unrestricted funds, where receipts and payments accounts are prepared.
Voluntary receipts	Voluntary receipts include: • gifts, donations and appeals including legacies and bequests; • grants which provide core funding or are of a general nature, provided by government and charitable foundations; • membership subscriptions and sponsorships which are, in substance, donations; and • tax reclaims on Gift Aid donations.
W3C Standards	W3C accessibility standards consist of a set of guidelines for making content accessible especially to those web users who have a disability. This standard is recognised internationally.

Useful contacts

Association of Charity Independent Examiners (ACIE)	The Gatehouse White Cross South Road Lancaster LA1 4XQ **Telephone:** 01524 34892 **Website:** www.acie.org.uk
Companies House	Companies House Northern Ireland Second Floor, The Linenhall 32 - 38 Linenhall Street Belfast, BT2 8BG **Telephone:** 0303 1234 500 **Website:** www.companieshouse.gov.uk
Department for Communities	Lighthouse Building 1 Cromac Place Gasworks Business Park Ormeau Road Belfast BT7 2JB **Telephone:** 028 9082 9424 **Website:** www.communities-ni.gov.uk
HM Revenue and Customs (HMRC)	HM Revenue & Customs Charities, Savings and International 2 HM Revenue and Customs BX9 1BU United Kingdom **Telephone:** 0300 123 1073 **Website:** www.hmrc.gov.uk/charities
Northern Ireland Council for Voluntary Action (NICVA)	61 Duncairn Gardens Belfast BT15 2GB **Telephone:** 028 9087 7777 **Website:** www.nicva.org

The Charity Tribunal	Tribunals Hearing Centre 2nd Floor, Royal Courts of Justice Chichester Street Belfast BT1 3JF **Telephone:** 0300 200 7812 **Website:** www.courtsni.gov.uk/en-GB/Tribunals/CharityTribunal
The Law Society of Northern Ireland	96 Victoria Street Belfast BT1 3GN **Telephone:** 028 9023 1614 **Website:** www.lawsoc-ni.org.uk

Useful links and guidance

ARR01. Charity reporting and accounting: guidance summary

ARR02. Charity reporting and accounting: the essentials

ARR03. Receipts and Payments accounts

ARR04. Accruals accounts

ARR05. How to complete the annual monitoring return

ARR07. Independent examination of charity accounts: examiner's guide

ARR08. The trustees' annual report and public benefit reporting

PBR1 Public benefit requirement guidance

CCNI EG046 Making payments to trustees

CCNI EG043 Equality guidance for charities

CCNI EG024 Running your charity

Receipts and payments toolkit

The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015

Department for Business Innovation & Skills - publishes a number of helpful leaflets explaining the requirements of company law.

HM Treasury - HM Treasury guidance on the Proceeds of Crime Act 2002 and associated Money Laundering Regulations

If you are dissatisfied with our service

The Commission is committed to delivering a quality service at all times. However, we know that sometimes things can go wrong. If you are dissatisfied with the service you have received, we would like to hear from you, and have a procedure that you can use. You will find further information on these processes in our guidance, *Making a complaint about our services*, which is on our website www.charitycommissionni.org.uk

Freedom of information and data protection

Data Protection

The Charity Commission for Northern Ireland is responsible for registering, regulating and reporting on the charity sector in Northern Ireland. As the charity regulator, we are lawfully required to collect and process personal data in order to achieve our statutory objectives, functions and general duties.

Any personal data you give us will be held securely and in accordance with data protection rules and principles. Your personal details will be treated as private and confidential, and will only be retained for as long as is necessary in line with our *retention policy*. The information will be safeguarded and will not be disclosed to anyone not connected to the Commission unless:

- you have agreed to its release,
- the Commission is legally bound to disclose the information
- the Commission regards disclosure as necessary in order to properly carry out its statutory functions

The Commission may also disclose information or personal data to other relevant public authorities where it is lawful to do so and where, for the purposes of national security, law enforcement, or other issues of overriding public interest, such disclosure is necessary.

We will ensure that any disclosure made for this purpose is lawful, fair, considers your right to privacy and is made only to serve the Commission's statutory objectives as a regulator.

When you provide the Commission with information used to carry out its functions, you are obliged to comply with section 25 of the *Charities Act (Northern Ireland) 2008* which means that it is an offence to provide information which is false or misleading. In respect of your personal data we expect any data which you give us to be truthful, accurate and up-to-date.

For further information, you may wish to read the Commission's *Privacy notice* which details what to expect when the Commission collects and processes personal information, including your rights in relation to that processing if we hold your information.

Freedom of Information

The Freedom of Information Act 2000 gives members of the public the right to know about and request information that we hold. This includes information received from third parties. If information is requested under the Freedom of Information Act we will release it, unless there are relevant exemptions. We may choose to consult with you first. If you think that information you are providing may be exempt from release if requested, please let us know.

Charities must NOT include copies of charity bank account statements in place of, or attached to, the receipts and payments accounts submitted to the Commission. Accounts and reports submitted to the Commission will automatically display on the public *register of charities*.

Further information on our activities is available from:

Charity Commission for Northern Ireland
257 Lough Road
Lurgan
Craigavon
BT66 6NQ

www.charitycommissionni.org.uk

Email: admin@charitycommissionni.org.uk
Tel: 028 3832 0220
Fax: 028 3832 5943
Textphone: 028 3834 7639

Follow us on Twitter @CharityCommNI

This document is available in large print or other formats on request

South Armagh VIP Club for Blind and Partially Sighted People

Northern Ireland - Charity number 103793

Annual report

The trustees' annual report and public benefit reporting

Guidance for charity trustees on how to prepare a trustees' annual report and report on how public benefit has been delivered by the charity

The Charity Commission for Northern Ireland

The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities.

Our vision

To deliver in partnership with other key stakeholders in the charitable sector "a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission's effective delivery of its regulatory role."

Further information about our aims and activities is available on our website www.charitycommissionni.org.uk

Equality

The Charity Commission for Northern Ireland is committed to equality and diversity in all that we do.

Accessibility

The Commission's website has been designed to **W3C standards** of accessibility and includes a number of features to enhance accessibility for a wide range of individuals. These include colour contrast and resize options. Materials may be made available in alternative formats on request. If you have any accessibility requirements please contact us.

Online or in print

If you are viewing this document online, you will be able to navigate your way around by clicking on links either within the contents page or text.

We have produced a glossary that provides further information, definitions and descriptions of some key terms. The words in **bold green type** indicate words that are found in the glossary towards the end of this document. If you are reading the document online you can click on the word and it will link you to the definition in the glossary. The words in *blue italics* indicate other guidance or databases.

Please check our website www.charitycommissionni.org.uk to make sure you're using the latest versions of forms and guidance.

Contents

Section 1: Overview

All charities must be aware of their legal requirements when preparing a charity's financial statements and the trustees' annual report and having these documents reviewed or audited. The Charity Commission for Northern Ireland (the Commission) has developed a suite of guidance to help charities understand their legal requirements. For help understanding which guidance documents apply to your charity you should read *ARR01 Charity reporting and accounting: guidance summary.*

All **charity trustees** should begin by reading *ARR02. Charity reporting and accounting: the essentials.* It is important that charity trustees read this guidance first as it provides information on the new accounting and reporting framework in place for registered charities from 1 January 2016, and an overview of The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

The full list of accounting and reporting guidance includes:

ARR01. Charity reporting and accounting: guidance summary

ARR02. Charity reporting and accounting: the essentials

ARR03. Receipts and payments accounts

ARR04. Accruals accounts

ARR05. How to complete the annual monitoring return

ARR06. Charity reporting: Interim arrangements and the annual monitoring return – this guidance is no longer in use.

ARR07. Independent examination of charity accounts: examiner's guide

ARR08. The trustees' annual report and public benefit reporting

This document, *ARR08. The trustees' annual report and public benefit reporting*, is aimed at charity trustees of **all** charities.

All registered charities reporting under the new regulations, are required to submit a trustees' annual report that includes information on how the charity has met the public benefit requirement during the year. Public benefit reporting is a key element within the trustees' annual report and charity trustees **must** also have regard to the Commission's *Public benefit requirement* statutory guidance.

Section 2: About this guidance

What does this guidance cover?

This guidance provides information to assist charity trustees in preparing a trustees' annual report including details on how the charity has met the public benefit requirement. It covers:

- information that must be included in the trustees' annual report of all charities, irrespective of their size
- additional information that must be included in the trustees' annual report of a charity that is preparing accruals accounts
- further information that must be included in the trustees' annual report of a larger charity, with an income of more than £500,000
- how a charity can detail, within the trustees' annual report, that it has met the public benefit requirement.

If you are a registered charity you must ensure your charity accounts and reports comply with the new accounting and reporting regulations. These apply to your **first full** financial year beginning on or after:

1 January 2016 **or**
The date of registration with the Commission if later than 1 January 2016.

What does this guidance not cover?

This document does not provide detailed guidance for charities that prepare accruals accounts and are preparing a trustees' annual report. The content requirements of the trustees' annual report for charities that prepare accruals accounts are set out in the Charities Statement of Recommended Practice (Charities SORP) (FRS102). For more information please see the Charities SORP microsite.

This guidance also does not provide information on how to prepare **receipts and payments** or **accruals accounts**. This information is contained in other guidance documents that make up the suite of accounting and reporting guidance.

Additionally, this guidance, while providing practical support on public benefit reporting, does not explain the public benefit requirement. This information is found in the *Public benefit requirement* statutory guidance. Charity trustees **must** have regard to this guidance when reporting on how the charity has met the public benefit requirement.

What will be published?

All charity accounts and reports, including the trustees' annual report, will be published on the charity's entry on the online *register of charities*. The register will also display the compliance status of registered charities in relation to annual reporting. When a charity submits their annual reporting information within 10 months from the end of the reporting period, their entry on the register will display as 'Up-to-date'. However if a charity does not file their annual reporting information on time this will be displayed on the register as 'in default'.

The register will also display some information provided through the **annual monitoring return.** For information on the Commission's approach to publishing decisions refer to the *Publishing our decisions* policy.

Who does this guidance apply to?

This guidance is aimed at **charity trustees**, who may also be referred to by other terms, such as trustees, members of management committees, or directors of charitable companies, as well as anyone acting on behalf of a charity, for example a helper group, solicitor, accountant, agent or adviser. The guidance applies to all types of charity, for example, charitable companies and charities that are not companies, such as unincorporated associations, industrial and provident societies and trusts.

What are legal requirements and best practice?

In this guidance, where we use the word 'must' we are referring to a specific legal or regulatory requirement. We use the word 'should' for what we regard as good practice, but where there is no specific legal requirement.

Charity trustees should follow the good practice guidance unless there is good reason not to do so. For example, registered charities **must** apply the full accounting and reporting regulations to their accounts and reports prepared for the first full **financial year** beginning on or after 1 January 2016. Charities that are in the process of registering, or awaiting registration, **should** plan in advance for complying with the full accounting and reporting regulations. This will help them to be prepared for their annual reporting obligations following registration.

Charity legislation

References in this document to 'the Charities Act' are to the **Charities Act (Northern Ireland) 2008**.

References in this document to 'the accounting and reporting regulations' are to The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

References in this guidance to the 'annual return regulations' are to The Charities (Annual Return) Regulations (Northern Ireland) 2015, prescribed by the Charity Commission for Northern Ireland.

Key terms

The following are some key terms that will be useful to understand when reading this guidance. They, and other terms, are also listed in a glossary at appendix 1.

Financial year: A charity's financial year or period is usually set out in its governing document. This will normally be 12 months but, in certain circumstances, it can be shorter or longer. For charities that are not companies, it can vary but cannot be more than 18 months. Different rules apply for charities that are companies. Additionally, charities that are grant aided schools must not have a financial period of more than 15 months.

Public benefit: The Charities Act sets out a legal requirement that all charities have purposes that are for the public benefit. The two elements of public benefit are:

1. Benefit: This is about the benefit flowing from the charity's purposes. For a charity's purposes to satisfy the benefit element of public benefit, that benefit must have three key features, it must:
    - flow from the charity's purposes
    - be capable of being demonstrated
    - be beneficial, not harmful.

2. Public: This is about who may benefit from the charity's purposes. For a charity's purposes to satisfy the public element, the benefit which may flow from those purposes must:
    - be to the public or to a section of the public
    - not provide a private benefit to individuals unless this benefit is incidental.

Receipts and payments accounts: This is a form of accounting that consists of a summary of all monies received and paid via the bank and in cash by the charity during its financial year, along with a statement of balances. Company law requirements mean that a charitable company cannot prepare its accounts on a receipts and payments basis.

Accruals accounts: Refers to accounts prepared on a 'true and fair' basis in accordance with accounting standards and the methods and principles of the applicable Statement of Recommended Practice (SORP). In contrast to receipts and payments accounts, where income and expenditure is accounted for only when the money is received or paid out, accruals accounts record the income of a particular activity when there is entitlement or probability about income, and expenses, when the liability is incurred. This is not necessarily the same date on which money is received or paid out. Accruals accounts prepared in accordance with the Charities SORP must contain a balance sheet showing the charity's financial position at the end of the year, a statement of financial activities (SoFA), a cashflow statement (if applicable) and explanatory notes to the accounts. The SoFA should show all incoming resources, and resources expended during the year (and for company charities only, an income and expenditure account, except where the SoFA incorporates the income and expenditure account).

Section 3: The trustees' annual report

Under the new accounting and reporting regulations all registered charities must prepare a trustees' annual report. This applies from their first full accounting period after 1 January 2016, **or** their date of registration with the Commission, if later. The trustees' annual report, also known as the annual report, is an important milestone in a charity's life, a chance to take stock, to celebrate successes and achievements, and to reflect on difficulties and challenges. It is also an opportunity to highlight the main activities undertaken by the charity to carry out its purposes for the public benefit.

It is important that preparing the trustees' annual report is not viewed simply as a 'legal requirement' or a technical exercise. The report's primary purpose is to ensure the charity is publicly accountable to its stakeholders and, along with the accounts, is an opportunity for the charity trustees to tell people about the charity's work, where its money has come from and how it has been spent. The report should enable a reader to have a better understanding of what the numbers presented in the charity's accounts mean for the charity and its beneficiaries. Financial accounts alone do not provide all the information a reader needs to gain a full picture of the charity. For example, they cannot easily explain:

- what the charity has done – its outputs
- what the charity has achieved – its outcomes
- what difference the charity has made – its impact and benefits.

The trustees' annual report also provides important administrative information about the charity such as where the charity is based and who the charity trustees are. Information on the structure, governance or management arrangements of the charity are also addressed by the trustees' annual report.

3.1 What must be in the trustees' annual report?

The level of detail required in the trustees' annual report depends on the size and nature of your charity. There is, however, certain key information that must be included in the trustees' annual reports prepared by all charities, irrespective of their size or the nature of the charity. These requirements are set out in regulation 32 of the accounting and reporting regulations. They are the minimum requirements for charities preparing receipts and payments accounts. More details can be found in the checklist at section 3.1.1 below.

Charities that are preparing accruals accounts must include the minimum requirements set out at section 3.1.1 and, in addition, provide more detail in the report in accordance with the requirements of the **Charities SORP** (FRS102). The Charities SORP requires charities with an income of more than £500,000 to provide additional detail when annual reporting. Charities preparing accruals accounts must look to the Charities SORP for detailed guidance on the requirements for their trustees' annual report, which is not covered in this guidance document. Please see the Charities SORP microsite www.charitiessorp.org for more information.

3.1.1 Trustees' annual report content - minimum requirements for charities preparing receipts and payments accounts

The checklist below sets out key information that must be contained in the trustees' annual reports for **all** charities. Specifically it is the minimum requirements for charities that are preparing **receipts and payments** accounts. Additionally, it includes some information that is considered good practice. You may choose to use this checklist to identify what information is needed within the trustees' annual report or, alternatively, it may be helpful to cross-reference against a draft trustees' annual report so that the charity trustees can be satisfied that it includes all necessary information. Tick the box in the final column if you have included the following information:

Legal requirement	Help note	Tick
The financial year the report relates to	*For example, 01 April 2015 to 31 March 2016.*	
A summary of the charity's: ○ main activities to further its purposes for the public benefit ○ main achievements in the year	*This is known as public benefit reporting. See section 4 of this guidance for further information.*	
A statement that the trustees have had regard to the Commission's Public benefit requirement statutory guidance	*Charity trustees are legally obliged to have regard to this guidance.*	
A review of the charity's financial position at the end of the year	*Include details of any debts held by the charity and any reserves policy.*	
Details of any fund held by the charity that was materially in deficit' at the end of the year and steps taken by the charity trustees to eliminate the deficit	*Funds that are 'materially in deficit' are in shortfall and, for example the shortfall in a particular fund may be considered material where it is:* • *a substantial amount of total overspend or* • *a substantial amount of overspend*	

	relative to the total amount received into that fund or • *likely to have a significant impact on the deliverables of that particular activity.*	
A dated signature of one or more of the charity trustees	*Those who sign/date the report must be authorised by the charity to do so.*	
The name of the charity as it appears on the register of charities, as well as any other names it is known by	*This may include an acronym or working name used by the charity.*	
The Northern Ireland charity (NIC) number and, if applicable, company registration number	*The NIC number was given to you when the charity was registered.*	
The principal address of the charity and, if it is a charitable company, the address of its registered office	*The principal address and the registered office may be the same.*	
The names of: ○ all charity trustees on the date the report was approved **and** ○ all individuals who served as charity trustees during the year	*The Commission may grant a request for trustee anonymity and exempt a charity from disclosing the name of one or more trustees in the report, or from listing the principal address of the charity. This will only be where there is a concern that the information could lead to an individual being placed in personal danger. If you have been granted anonymity at registration you should omit the relevant details from the trustees' annual report submitted to the Commission.*	
Details of how the charity is constituted and its governing document	*Include details and dates of any document/provision setting out the charity's purposes and/or how it is administered eg governing document, a deed, or a management statement.*	
A summary description of the purposes of the charity	*Give a summary of the purposes of the charity as listed on the register of charities and in its governing document. The purposes are what the charity is set up to achieve.*	
The name of any person, or body of persons, permitted by the trusts of the charity to appoint one or more new charity trustees and a description of the method used to make such appointments	*If there is any individual or organisation with the power to appoint charity trustees, such as another charity or a government department, provide their details, the relevant powers, and methods of appointment.*	
Good practice	**Help note**	**Tick**
Include details of any funds held by the charity as a custodian trustee	*This is mandatory for charities preparing accruals accounts.*	

Ensure that figures provided in the report are consistent with figures reported in the charity's accounts		
You can put more detail into your trustees' annual report if you think this will be useful to those most likely to read and use the report.	*This can help to tell the story of what the charity has done, and what it has achieved, across the year, eg, a chairperson's report, an environmental report or impact assessment.*	

3.1.2 Trustees' annual report – content requirements for charities preparing accruals accounts

In addition to the minimum requirements for all charities set out above, charities preparing **accruals accounts**, must also comply with the Charities SORP when preparing the trustees' annual report. Some requirements of the Charities SORP are the same as those set out in the regulations (3.1.1 above), however, some are additional. It is important, if your charity is preparing accruals accounts, to refer to the Charities SORP when preparing the trustees' annual report.

Note that, whilst the SORP has been developed to be consistent with charity law, company law and other relevant legislation, it has not yet been updated to reflect the new accounting and reporting regulations in Northern Ireland. You should, therefore, read it in conjunction with this document which provides detailed guidance on the new requirement for registered charities in Northern Ireland to report on the public benefit.

The Charities SORP also requires larger charities, those with a gross income of more than £500,000, to prepare an expanded trustees' annual report given the greater degree of public accountability and stewardship in reporting that is required of these organisations. The Charities SORP sets out the guidelines larger charities must follow when producing their report. The checklist below sets out the key trustees' annual report requirements for charities preparing accruals accounts:

Legal requirement	Help note	Tick
Meet the requirements set out in the regulations	*These include the new legal requirement to report on public benefit and are set out in the checklist at 3.1.1*	
Meet the requirements of the Charities SORP (FRS102)	*You may present the report in any order, under any heading, provided the information required by the Charities SORP and charity law is included. See the Charities SORP microsite for further information www.charitiessorp.org*	

3.2 Who is responsible for preparing the trustees' annual report?

The charity trustees are ultimately responsible for the preparation of the trustees' annual report. Although charity trustees may seek assistance from the charity's staff or advisors in drafting the report, the charity trustees must approve the final text of the report. One or more of the charity trustees must sign and date the report on behalf of the charity trustees upon their approval of the report.

3.3 Help to prepare the trustees' annual report

To help you understand how you might prepare a trustees' annual report, there are links to some example trustees' annual reports available in the *Annual reporting* section of the Commission's website. Additionally, examples can be found on the Charities SORP microsite. As annual accounting and reporting to the Commission is still new in Northern Ireland, there are limited examples available. Over time, we intend to add further examples of accounts and trustees' annual reports, and templates, to the website. You may find that some of the helper groups listed on the Commission's website will be able to provide you with support or guidance on preparing the trustees' annual report.

3.4 What does the Commission do with the information?

Trustees' annual reports are displayed on the online *register of charities* and will be available to anyone with an interest in the charity to read or print. If a member of the public, or other stakeholder, has a concern about a charity's trustees' annual report then this can be reported to the Commission. The Commission will monitor a sample of trustees' annual reports to assess the quality of reporting, including reporting on public benefit, and to identify issues of regulatory concern. This means that we will not assess or endorse the trustees' annual reports submitted by every individual charity. However, we will seek and provide examples of good trustees' annual reports and examples of public benefit reporting as models to help other similar charities. If a charity's activities are not in furtherance of its purposes, or for the public benefit, then this may be a breach of trust and could result in the Commission taking further action.

Section 4: Public benefit reporting

4.1 Public benefit reporting in context

This section of the guidance provides information on the public benefit requirement in the context of annual reporting. It is drawn from the Commission's statutory guidance on *The Public benefit requirement*. Charity trustees **must** have regard to the full statutory guidance when exercising any powers or duties to which it is relevant. This means that charity trustees **must** be able to show that they are aware of the guidance and they have taken it into account in making a decision where the guidance is relevant. The information is included here with practical guidance to assist trustees in applying the principles of public benefit to the public benefit reporting.

To be a charity in Northern Ireland an organisation must have exclusively **charitable purposes**. One component of what makes a purpose charitable is that it is for the public benefit. This is known as the public benefit requirement.

Public benefit is, therefore, at the heart of what makes an organisation a charity. By reporting on public benefit, charity trustees identify that their charity is effectively doing what it was set up to do and is making a positive difference to its **beneficiaries**. This should not be difficult for charity trustees of well governed charities to demonstrate. Public benefit reporting within the trustees' annual report gives the charity an opportunity to engage the reader and give them a good understanding of the impact the charity has had across the year. It is a tool to enhance accountability to all of the charity's stakeholders including its funders, donors, members and beneficiaries.

All registered charities must:

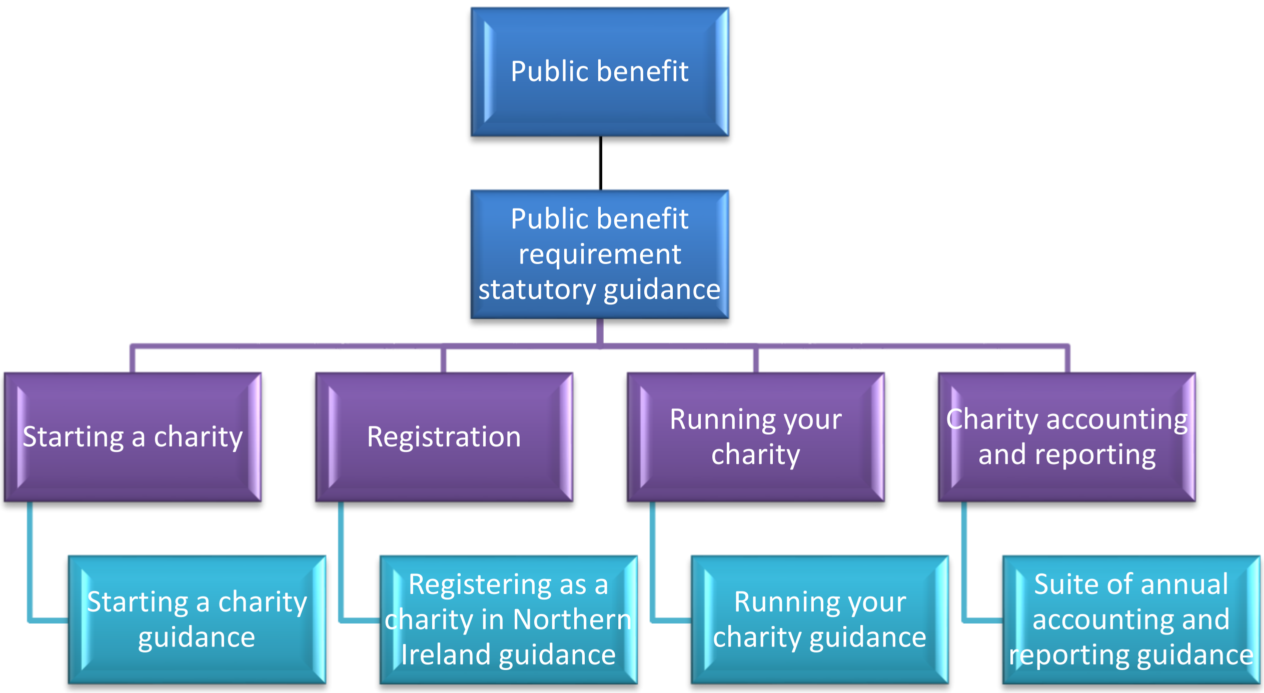
- report annually on how they have continued to meet the public benefit requirement and
- confirm that they have had due regard to guidance produced by the Commission.

This is known as public benefit reporting. The legal requirement is set out in Part 5 of the accounting and reporting regulations. Public benefit reporting is integrated into the trustees' annual report.

At the point of charity registration, charity trustees sign a declaration that they have had regard to the Commission's guidance and are required to write a public benefit statement setting out the public benefit flowing from each of the purposes of the charity. As part of annual reporting, charity trustees are also required to declare that they have had regard to the Commission's guidance on public benefit and, additionally, to report on the activities the charity has carried out to further its purposes for the public benefit. This is the key difference between public benefit at registration and public benefit reporting. At registration, public benefit is about the benefit to the public that flows from the charity's purposes. At annual reporting, the focus is on the activities the charity has carried out during the year to achieve the public benefit flowing from its purposes.

4.1.1 The public benefit framework

The following chart shows you where reporting on public benefit sits in the overall framework of what it means for your organisation to be a charity, to operate as a charity and to report on your charity's work, as well as signposting you to other, relevant guidance.



4.1.2 What does the law say?

The law regarding public benefit reporting is set out in regulations 32, 33 and 34 of the accounting and reporting regulations. Section 32 (2)(b) states that the report on the activities of a charity during the year must contain a summary that:

- explains 'the main activities undertaken by the charity to further its charitable purposes for the public benefit' and 'the main achievements of the charity during the year' and
- includes 'a statement as to whether the charity trustees have complied with the duty to have regard to the guidance issued by the Commission under section 4(b)' of the Charities Act (the public benefit requirement statutory guidance).

4.1.3 The benefits of effective public benefit reporting

Public benefit reporting is an opportunity for charity trustees to demonstrate and explain the work that their charity has done to further its purposes for the public benefit in that year. The charity can highlight the difference it has made in the lives of its beneficiaries and, if applicable, the wider public.

Through public benefit reporting in the trustees' annual report charities have an opportunity to explain the impact the charity has had in a way that speaks to the charity's beneficiaries, donors and other supporters and goes beyond simply reporting numbers and figures. Effective public benefit reporting within the trustees' annual report will tell a story that explains the links between the charity's purposes, beneficiaries, activities and resulting benefits.

Additionally, public benefit reporting, when done well, can be an effective tool for charity trustees and help them to:

- stay focused, or re-focus, on what the charity is there to achieve (its purposes) when planning activities
- demonstrate the impact of the charity and its achievements, particularly when applying for grant funding or fundraising
- enhance and demonstrate the charity's transparency and accountability to donors, beneficiaries and the general public
- improve the overall quality of reporting on the charity's work.

The report will also assist those within the charity to whom functions are delegated, for example, senior staff members, when delivering the work of the charity to ensure that work planned will assist in meeting the charity's purposes.

4.1.4 The elements of public benefit in the context of public benefit reporting

There are two elements of public benefit. These are explained in detail in *The Public benefit requirement* statutory guidance and are set out in brief below:

1. **Benefit:** This is about the benefit flowing from the charity's purposes. For a charity's purposes to satisfy the benefit element of public benefit, that benefit must have three key features, it must:
   - flow from the charity's purposes
   - be capable of being demonstrated
   - be beneficial, not harmful.

2. **Public:** This is about who may benefit from the charity's purposes. For a charity's purposes to satisfy the public element, the benefit which may flow from those purposes must:
   - be to the public or to a **section of the public**
   - not provide a **private benefit** to individuals unless this benefit is **incidental**.

For an organisation to be a charity, all of its purposes must be for the public benefit, that is, each of its purposes must fulfil the criteria set out above for the two elements of public benefit to be satisfied.

At the annual reporting stage, the charity does not have to demonstrate that it is established for the public benefit as this has already been assessed. Rather, public benefit reporting is about providing information and evidence as to how the charity has worked to achieve the public benefit for which it was established during the reporting year. Do this by setting out:

- how the charity carried out its purposes for the benefit of its beneficiaries during the year and
- who the beneficiaries of the charity were during the reporting year.

It is important, therefore, that the charity can demonstrate a continued awareness of the public benefit requirement and the impact this has had on how it has planned its activities.

4.2 Reporting on public benefit in practice

In order to meet the legal requirements regarding public benefit reporting a charity's trustees' annual report must contain:

1. a summary of the main activities undertaken by the charity to carry out its charitable purposes for the public benefit and the main achievements of the charity during the year and
2. a statement that the charity trustees have complied with their duty to have due regard to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

There is no legal requirement setting out **how** the charity trustees must structure the summary of activities and achievements. It is up to charity trustees to decide the level of detail they need to use to describe how they have operated the charity in furtherance of its purposes, for the public benefit, in the reporting year, however the Commission expects the report to contain:

- **Purposes:** an explanation of what the charity is established to achieve
- **Beneficiaries:** an explanation of who the charity's beneficiaries were during the year
- **Activities:** a summary of the charity's activities to carry out its purposes for the public benefit (the direct charitable activities, rather than fundraising or governance activities)
- **Achievements:** an explanation of how those activities have provided a benefit to the charity's beneficiaries
- **Restrictions on who can benefit:** an explanation of how any restrictions, if applicable, were managed for the public benefit. For example:
  - Fee charging
  - Access to facilities
  - Restrictions on the basis of personal characteristics
- **Harm:** how the charity has mitigated any **harm** flowing from its purposes
- **Private benefit:** how the charity has ensured that any private benefit has been incidental to the public benefit
- a statement of compliance with the duty to have regard to the Commission's *The Public benefit requirement* statutory guidance.

The nature of the public benefit, and the activities planned to achieve it, may be different for each of the charity's purposes and therefore the public benefit flowing from each purpose will need to be reported on in the trustees' annual report. Additionally, the charity may have chosen in the year to focus on one or more purposes and this is a good opportunity to explain why the trustees chose to do so. It is not necessary for a report on public benefit to be dealt with as a separate section of a trustees' annual report and will likely be addressed, naturally, throughout the body of the report, for examples in the 'activities and objectives' and 'achievements and performance' sections.

A useful starting point may be to review your organisation's public benefit statement published on the online *Register of charities* with a view to providing information and evidence on how the charity has worked to achieve the public benefit set out in that statement.

4.3 Useful sources of guidance

The following may be of use to a charity when preparing to report on public benefit in its trustees' annual report:

- The table at section 4.5 of this guidance contains practical examples of how trustees can demonstrate they have met the public benefit requirement.
- The checklist at section 4.6 which lists key questions trustees can use to help them identify any aspects they might have missed.
- The Commission's suite of accounting and reporting guidance.
- The SORP Committee and the Charity Commission for England and Wales have produced example trustees' annual reports which include reporting on public benefit. They may help you to prepare your trustees' annual report.
- The inspiring impact website www.inspiringimpactni.org which includes resources to help charities plan, measure, assess and improve their work on the basis of their impact.

4.4 Are there different requirements for different charities?

All registered charities, with the exception of investment funds, are required to report on public benefit as part of the trustees' annual report. It is up to all charities, irrespective of their size, to meet the legal requirements regarding public benefit reporting.

4.5 Examples of information required in public benefit reporting

Further information on the elements of public benefit reporting is set out below. This information may also serve as a guide to assist you to identify and structure information to ensure that all elements of public benefit are reported on. Please note the examples below are purely to illustrate the guidance in this document and are not comprehensive. A charity must provide sufficient detail specific to its work in the relevant reporting year.

Key information	Guidance notes
The purposes of the charity	Set out the purposes of the charity to allow for an explanation of how the activities and benefits provided by the charity are related to its purposes. These will normally be identical to the purposes of the charity as set out in its governing document. ***For example:*** *"The purposes of the charity are to improve the efficiency of the administration of charities in direct pursuit of their objects, by the provision of training, advice, administrative support and information."* **Refer to Section 3 of the** Public benefit requirement **statutory guidance for more information**
What the charity has done during the year to carry out its purposes – its activities	Provide a summary of the activities undertaken by the charity to further its purposes during the relevant reporting period. This should focus on those activities that have made a significant contribution to the charity's purposes and advanced the public benefit flowing from those purposes. This does not include activities which are not directly related to the public benefit of the charity, for example, fundraising, support activities or governance activities which may be documented elsewhere in the trustees' annual report. Larger charities are required to provide a fuller review of the significant activities undertaken by the charity to further its purposes and details of strategies adopted to achieve it purposes. ***For example:*** *in the case of a charity established to advance religion, the report may provide details of activities including the holding of public worship, dissemination of leaflets providing information on the beliefs of the organisation, and the running of prayer meetings or a club for young people. For example: "In 2014/15 we held open church services every week on a Sunday and a minimum of three services mid weekly. Across the year we noticed attendance at mid week services particularly increase and Sunday services remained popular with the community. This was as a result of an outreach programme we commenced with young people and new families that have moved into the area. During the year we also attended 24 school youth events providing literature to*

Key information	Guidance notes
	spread our messages more widely and give support at exam time. We also held 3 away days for parishioners and maintained our Tuesday club for pensioners. Our parish bulletin has now gone online meaning that it can be more accessible to parishioners unable to attend the Sunday service. ***For example:*** *in the case of a grant-making charity established to provide relief to those in need, the report may provide details of the grants the charity has made during the year, including a breakdown of grants made to different projects or organisations. For example: "In 2014/15 the organisation made 50 grants (53 in 2013/14) totalling £750,000 (£800,000 in 2013/14). While the grants we made towards work in particular areas focused on addressing community-wide disadvantage, we also supported organisations which address marginalisation in a more targeted way. In 2014/15 10 of our grants went to groups providing support to refugees and asylum seekers, 15 to groups with a focus on mental health, and the rest to groups working within those experiencing homelessness."* *An explanation could be provided as to how the charity identified where its grants should go with reference to a grant making policy.* ***For example:*** *in the case of a charity that works overseas with a purpose of the relief of poverty, the advancement of health and the protection of vulnerable people, the report may provide details of specific projects that took place in different parts of the world in order to achieve its purposes. For example:* *"In 2014/15 we spent £1 million on charitable activities in the areas of development, humanitarian aid and campaigns. We provided direct support to over 2,000 individuals across 15 countries through our project to deliver food parcels, mosquito nets and basic medicines. Additionally, we launched a campaign to raise awareness of the need to improve the sustainability of water supplies in parts of Africa. Through working with partner organisations, we sent volunteers to provide humanitarian assistance in parts of Africa affected by the Ebola crisis."* **Refer to Section 4 of the** Public benefit requirement **statutory guidance for more information**
Details of how the activities of the charity have provided a benefit to its	Set out how the charity's activities have provided a benefit to the intended beneficiaries, how this is demonstrated, and how this is linked to the charity's purposes. Include information on the main achievements of the charity in furthering its charitable purposes. This may be a summary for smaller

Key information	Guidance notes
beneficiaries and how this can be demonstrated – the achievements of the charity	charities; larger charities (with an income over £500k) will be required to provide a fuller explanation. It may be helpful to think about this in terms of the **impact** the charity's activities have had on its intended beneficiaries, that is, the difference the charity's activities made to the lives of the charity's beneficiaries and how this is important in working to achieve the charity's purposes. You may be able to provide statistical evidence of impact or document feedback from service users. It is important that the report demonstrates that the trustees of the charity are thinking about the beneficiaries when they describe the achievements of the charity and show an awareness of how they benefit. It may help you to refer back to your charity's public benefit statement on its entry on the register of charities. A charity does not have to work directly with its beneficiaries, but the trustees' annual report should show an awareness of how the public benefits, for example, a grant –making charity which only makes grants to other charities may have no direct contact with the ultimate beneficiaries of the grants, but should be able to explain in the trustees' annual report how the grants which they make can support or assist the beneficiaries. ***For example***, *in the case of a charity established for the benefit of older people: "Through operating our help in the home programme and providing weekly social activities to older people living in this area the charity has benefited older people by improving their health and well being and reducing their social isolation. In 2015, the charity helped over 180 people aged 60+. At the start of the year, service users were asked to rate their health using an anonymous survey. This was repeated following the operation of a programme of activity and showed a marked improvement in self-reported levels of health and well being."* ***For example***, *in the case of a charity established to promote education and research into the study and cure of Alzheimer's disease: "The benefits of the Trust's work are the education of future researchers, the dissemination of research findings, the development of new therapies and the funding of on-going research with the goal being to assist sufferers, their carers and families. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate concrete progress:* • ***Research posts:*** *the trust continues to fund two research posts at UK universities.* • ***Innovation programme:*** *the trust funds a community*

Key information	Guidance notes
	outreach programme which evaluates the impact of Alzheimer's disease on families and carers. The programme is showing that the use of home aids, emergency call alarms, the deployment of occupational health and local nursing services, as well as the combined use of music and aromatherapy, are providing demonstrable benefit to sufferers and carers. The trustees approved the extension of the programme for a further year. We disseminated the findings of the research via educational bulletins, presentations and on our website. ***Student grant awards:*** *we awarded 19 new PhD and masters scholarships from 30 applications (63%) and are pleased to note that during the year 15 PhDs and 8 masters students funded by the trust completed their studies. In total over 70 academic papers on Alzheimer's related topics were published, around 70% of which resulted in identifiable advances in research or treatment of the condition."* Case law has established that a charity's purposes cannot exclude the poor. Charities can, however, charge a fee for the services or facilities they offer. Public benefit reporting may provide an opportunity for the charity to account for how it has ensured the benefit is available to beneficiaries who are poor, for example, by offering reductions, providing bursaries or limiting the amount at which fees are set. *For example, in the case of a charity established to promote the arts of drama, opera and ballet: "The theatre relies on grants and the income from fees and charges to cover its operating costs. Affordability and access to our programme is important to us and is reflected in our pricing policy. We endeavour to encourage all within our community to take part in our activities and to attend our theatre and/or to view our exhibitions. The drama and art we provide is to be enjoyed by all from those attending local schools or the higher education colleges through to our programmes with particular appeal to our older residents. Concessionary tickets are available to all exhibitions including family discounts, 25% discount for students, and 50% discount for those in receipt of benefits."* A charity with a membership may wish to use its trustees' annual report to provide information on how its benefits were provided to the public. *For example, in the case of a charity established to advance education in astronomy and associated sciences: "In evaluating public benefit the trustees note that membership of*

Key information	Guidance notes
	the society is open to all who share an interest in astronomy and its associated sciences. Whilst we would encourage those with interest to join our ranks we also strive to make our services and facilities available to non-members and ensure that restrictions placed on that availability are both necessary and reasonable. Our meeting programme for example is open to all whilst public access to the observatory or solar telescope is only available when supervised by the society; this is to protect both our assets and public safety. A society member, once suitably trained, may choose to use the observatory at any time." **Refer to Section 4 of the** Public benefit requirement **statutory guidance for more information**
How the charity has mitigated any harm flowing from its purposes	Where there is any possibility of harm flowing from the purposes of the charity the trustees can set out in the trustees' annual report how this has been mitigated. *For example, in the case of an organisation established to advance amateur sport: "Throughout the year we implemented a training programme for staff which included mandatory health and safety training. This ensured that they could anticipate and prevent accidents and helped the benefits of participation in sport to be achieved by the charity's beneficiaries."* *For example, in the case of a charity established to promote education into Alzheimer's disease: "The Trust is a member of the Association of Medical Research Charities and follows best practice in maintaining the independence of research funding and ensuring that sponsored researchers and research institutions abide by best practice in research ethics and animal testing; our aim is to maximise the efficacy of the research programme whilst minimising the likelihood of harm to research volunteers and animals."* **Refer to Section 4 of the** Public benefit requirement **statutory guidance for more information**
How the charity has ensured that any private benefit has been incidental to the public benefit	The trustees' annual report is an opportunity to account for any private benefit received by someone who is not an intended beneficiary of the charity. It is likely that many charities will not be providing a private benefit. In this case, it is sufficient to state that there was no private benefit. *For example, in the case of a charity established to advance art: "The charity held its annual art display at which members of the public came along to see artists at work, listen to*

Key information	Guidance notes
	lectures from local artists on their inspiration and participate in an art class. We recognise that the artists who attended may have benefited from an increase in their profile and may have, as a result, sold a piece of their work. However, this was incidental to providing members of the public with the opportunity to learn more about local art and enhance their appreciation and understanding." *For example, in the case of a charity established to promote education into Alzheimer's disease: "Our research and educational programmes fund students, researchers, and research institutions and healthcare bodies who use these funds in their work to improve the lives of sufferers from Alzheimer's disease and related conditions, and their carers by developing therapies, potential medications and improvements in the personal care of sufferers. Any private benefit received by researchers, and research institutions and healthcare bodies is purely incidental to the purposes of our work."* **Refer to Section 4 of the** Public benefit requirement **statutory guidance for more information and to the** *Purposes and public benefit toolkit* **private benefit section.**
A statement of compliance with the duty to have regard to the Commission's guidance	The trustees' annual report must contain a statement that the trustees have had regard to the Commission's guidance on public benefit. It is important to note that trustees must not provide false information by stating that they have had regard to the guidance if they have not. *For example: "In setting our objectives and planning our activities for the year the trustees have given careful consideration to the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the charity's purposes and provide a benefit to the beneficiaries."*

4.6 Public benefit reporting checklist

The checklists at section 3.1.1 and 3.1.2 set out the requirements of the trustees' annual report. If you would like additional guidance to assist you when preparing the trustees' annual report, specifically in relation to meeting the public benefit reporting requirements, the checklist below may serve as a helpful tool. You may choose to use this checklist to identify what information is needed to meet the public benefit reporting aspect. Alternatively, it may be helpful to cross-reference against a draft trustees' annual report so that you can be satisfied it includes the necessary information for reporting on the public benefit.

	Yes	No	References within trustees' annual report
Have we provided a clear statement of the charity's purposes?			
Have we showed an understanding of who the charity's beneficiaries are?			
Have we provided a summary of the charity's activities to carry out its purposes for the public benefit?			
Have we explained how those activities have provided a benefit?			
Have we explained the main achievements of the charity with reference to the delivery of public benefit?			
Have we provided information on how the charity has mitigated any harm flowing from the purposes (if applicable)?			
Have we provided information on any private benefit that flows from the purposes of the charity and how we have ensured that this has not outweighed the public benefit (if applicable)?			
Have we included a clear statement that we have had regard to the Commission's guidance on public benefit?			

Appendix 1: Glossary

Term	Definition
Accruals accounts	Refers to accounts prepared on a 'true and fair' basis in accordance with accounting standards and the methods and principles of the applicable Statement of Recommended Practice (SORP). In contrast to receipts and payments accounts, where income and expenditure is accounted for only when the money is received or paid out, accruals accounts record the income of a particular activity when there is entitlement or probability about income, and expenses, when the liability is incurred. This is not necessarily the same date on which money is received or paid out. Accruals accounts prepared in accordance with the Charities SORP must contain a balance sheet showing the charity's financial position at the end of the year, a statement of financial activities (SoFA), a cashflow statement (if applicable) and explanatory notes to the accounts. The SoFA should show all incoming resources, and resources expended during the year (and for company charities only, an income and expenditure account, except where the SoFA incorporates the income and expenditure account).
Annual monitoring return	Also referred to as the annual return, the annual monitoring return is the online form that registered charities must submit on an annual basis reporting on their activities during the year. The information required is streamlined according to level of gross annual income. The questions in the annual monitoring return are specified in the Charity Commission for Northern Ireland Annual Return Regulations for the relevant period.
Beneficiaries	A legal term for a person, group of people or an entity (like a charity) eligible to benefit or receive assets from a charity's work. The beneficiary group of a charity will be defined in the charity's governing document. Beneficiaries may sometimes be called clients or service users.
Charitable purpose	This is defined by section 2 of the Charities Act (Northern Ireland) 2008 (as amended) as one that: • falls under one or more of the list of 12 descriptions of purposes set out in section 2(2) of the Charities Act and • is for the public benefit. To be a charity, an organisation must have purposes which are exclusively charitable in law.
Charities Act (Northern Ireland) 2008	The Charities Act (Northern Ireland) 2008 is the main piece of legislation establishing the Charity Commission for Northern Ireland and setting out its functions and powers.

Term	Definition
	References to 'the Charities Act' are to the Charities Act (Northern Ireland) 2008. The full content of the Charities Act can be found at www.legislation.gov.uk Not all of the sections of the Charities Act are in force yet. Details of the sections that are in force are available on the Commission's website www.charitycommissionni.org.uk
Charities SORP or Accounting and reporting by charities: Statement of Recommended Practice (SORP)	This means Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator on 16 July 2014, also known as the Charities SORP. It provides a comprehensive framework that enables charities to adopt a consistent interpretation of UK financial reporting standards (FRS) as well as account for those transactions that arise when undertaking charitable activities. The Charities SORP applies to all general charities that prepare accounts on an accruals basis.
Charity trustees	These are the people who are legally responsible for the control and management of the administration of a charity. In the charity's governing document they may be called trustees, managing trustees, committee members, governors or directors or they may be referred to by some other title. Some people are disqualified by law from acting as charity trustees. These disqualifications are set out in the Charities Act and broadly include but are not limited to anyone who: • has been convicted of an offence involving deception or dishonesty, unless the conviction is a spent conviction under the Rehabilitation of Offenders (NI) Order 1978 • is an undischarged bankrupt or has made an arrangement with creditors • has previously been removed as a trustee by the Commission or by the Courts • is subject to disqualification under company legislation.
Financial year	Your financial year or period will normally be 12 months long but, in certain circumstances, it can be shorter or longer. For charities that are not companies, it can vary but cannot be more than 18 months. Different rules apply for charities that are companies. Charities that are grant aided schools must not have a financial period of more than 15 months.

Term	Definition
Harm	Something that causes damage, injury or loss – physical, mental, environmental or social.
Incidental	This is something that happens or is likely to happen in an unplanned conjunction with something else. It is likely that there may be incidental benefit that results from a charity achieving its charitable purposes. For example, a charity with purposes to relieve poverty may have a number of volunteers. The volunteers may find their lives enriched by the activities they are carrying out. This is a benefit not directly related to the charitable purposes and while worthwhile, will not be taken into account when assessing the charity's public benefit. If people or organisations benefit from a charity, other than a beneficiary, then the benefit must be incidental, i.e. it directly contributes towards achieving the charity's purposes and/or it is a necessary result or by-product of carrying out those purposes. An example of a private benefit that is incidental is where there is an increase in profits to local businesses as a result of charitable regeneration projects, which is a necessary by-product of those projects being carried out. If private benefit is more than incidental then it may mean that the organisation is set up for a private benefit and therefore may not be charitable.
Private benefit	There is private benefit where an individual or an organisation gains from their involvement with a charity. In some cases it may be proper for such a benefit to arise; in some cases not. Charities can provide private benefit so long as the benefit is incidental, ie it directly contributes towards achieving the charity's purposes and/or is a necessary result or by-product of carrying out those purposes. An example of a private benefit would be where there is an increase in profits to local businesses as a result of charitable regeneration projects which is a necessary by-product of those projects being carried out.
Public benefit	The Charities Act sets out a legal requirement that all charities have purposes that are for the public benefit. These are the two elements of public benefit: 1. Benefit: This is about the benefit flowing from the charity's purposes. For a charity's purposes to satisfy the benefit element of public benefit, that benefit must have three key

Term	Definition
	features, it must: • flow from the charity's purposes • be capable of being demonstrated • be beneficial, not harmful. 2. Public: This is about who may benefit from the charity's purposes. For a charity's purposes to satisfy the public element, the benefit which may flow from those purposes must: • be to the public or to a section of the public • not provide a private benefit to individuals unless this benefit is incidental.
Receipts and payments accounts	This is a form of accounting that consists of a summary of all monies received and paid via the bank and in cash by the charity during its financial year, along with a statement of balances. Company law requirements mean that a charitable company cannot prepare its accounts on a receipts and payments basis.
Section of the public	Where benefit is not to the public generally, it can be to a 'section of the public'. Who constitutes a 'section of the public' is not a simple matter of numbers. Where the benefit is to a section of the public the opportunity to benefit must not be unreasonably restricted. For example, a charity set up to support sufferers of a very rare illness may only benefit a few people, however this is fine provided that anyone who suffers from the illness can potentially benefit.
W3C Standards	W3C accessibility standards consist of a set of guidelines for making content accessible especially to those web users who have a disability. This standard is recognised internationally.

Useful links and guidance

ARR01. Charity reporting and accounting: guidance summary

ARR02. Charity reporting and accounting: the essentials

ARR03. Receipts and Payments accounts

ARR04. Accruals accounts

ARR05. How to complete the annual monitoring return

ARR07. Independent examination of charity accounts: examiner’s guide

ARR08. The trustees’ annual report and public benefit reporting

PBR1 Public benefit requirement guidance

CCNI EG043 Equality guidance for charities

CCNI EG024 Running your charity

The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015

If you are dissatisfied with our service

The Commission is committed to delivering a quality service at all times. However, we know that sometimes things can go wrong. If you are dissatisfied with the service you have received, we would like to hear from you, and have a procedure that you can use. You will find further information on these processes in our guidance, *Making a complaint about our services*, which is on our website www.charitycommissionni.org.uk

Freedom of information and data protection

Data Protection

The Charity Commission for Northern Ireland is responsible for registering, regulating and reporting on the charity sector in Northern Ireland. As the charity regulator, we are lawfully required to collect and process personal data in order to achieve our statutory objectives, functions and general duties.

Any personal data you give us will be held securely and in accordance with data protection rules and principles. Your personal details will be treated as private and confidential, and will only be retained for as long as is necessary in line with our *retention policy*. The information will be safeguarded and will not be disclosed to anyone not connected to the Commission unless:

- you have agreed to its release,
- the Commission is legally bound to disclose the information
- the Commission regards disclosure as necessary in order to properly carry out its statutory functions

The Commission may also disclose information or personal data to other relevant public authorities where it is lawful to do so and where, for the purposes of national security, law enforcement, or other issues of overriding public interest, such disclosure is necessary.

We will ensure that any disclosure made for this purpose is lawful, fair, considers your right to privacy and is made only to serve the Commission's statutory objectives as a regulator.

When you provide the Commission with information used to carry out its functions, you are obliged to comply with section 25 of the *Charities Act (Northern Ireland) 2008* which means that it is an offence to provide information which is false or misleading. In respect of your personal data we expect any data which you give us to be truthful, accurate and up-to-date.

For further information, you may wish to read the Commission's *Privacy notice* which details what to expect when the Commission collects and processes personal information, including your rights in relation to that processing if we hold your information.

Freedom of Information

The Freedom of Information Act 2000 gives members of the public the right to know about and request information that we hold. This includes information received from third parties. If information is requested under the Freedom of Information Act we will release it, unless there are relevant exemptions. We may choose to consult with you first. If you think that information you are providing may be exempt from release if requested, please let us know.

Further information on our activities is available from:

Charity Commission for Northern Ireland
257 Lough Road
Lurgan
Craigavon
BT66 6NQ

www.charitycommissionni.org.uk

Email: admin@charitycommissionni.org.uk
Tel: 028 3832 0220
Fax: 028 3832 5943
Textphone: 028 3834 7639

Follow us on Twitter @CharityCommNI

This document is available in large print or other formats on request

South Armagh VIP Club for Blind and Partially Sighted People

Northern Ireland - Charity number 103793

Annual return

Independent examiner's report to the charity trustees of 'South Armagh V.I.P Group' Trust I report on the accounts of the Trust for the year ended 31 December 2023, which are set out on pages 00 to 00.

Respective responsibilities of charity trustees and examiner As the charity's trustees you are responsible for the preparation of the accounts in accordance with the Charities Act (Northern Ireland) 2008.

It is my responsibility to:

- examine the accounts under section 65 of the Charities Act
- follow the procedures laid down in the general Directions given by the Commission under section 65(9)(b) of the Charities Act
- state whether particular matters have come to my attention.

Basis of independent examiner's report I have examined your charity accounts as required under section 65 of the Charities Act and my examination was carried out in accordance with the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act.

My examination included a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as charity trustees concerning any such matters.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. That accounting records were not kept in accordance with section 63 of the Charities Act

2. That the accounts do not accord with those accounting records

3. That the accounts do not comply with the accounting requirements of the Charities Act

4. That there is further information needed for a proper understanding of the accounts to be reached.

CCNI ARR07 – supporting document

Independent examiner's statement I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission for Northern Ireland, I have found no matters that require drawing to your attention.

Name: Owen Marmion

Relevant professional qualification or body: Bank Official

Address: 17 Rath Gullion, Meigh, Newry, Co Down BT35 8GN

Date: 10/08/2024