

# Small Charity Support

Supporting & Facilitating Small Charities & Community Groups

## Trustees Annual Report & Statement of Financial Activity for the Year Ended 30 June 2017

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# Trustees Annual Report & Statement of Financial Activity

## for the Year Ended 30 June 2017

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## 1 Reference and Administration Details

### 1.1. Charity Name & Registration

#### **Small Charity Support**

The charity is a Charitable Incorporated Organisation, registration no: 1161963, registered with the Charity Commission on 2 June 2015.

The charity is registered with HM Revenue & Customs, Reg.No: EW47122

Prior to registration as a CIO, Small Charity Support was an unregistered (below the £5000pa threshold) unincorporated association of the same name.

### 1.2. Charity's Address

46 Farm Road, Edgware, MIDDX. HA8 9LT

e-mail: [enquiries@smallcharitysupport.uk](mailto:enquiries@smallcharitysupport.uk)

website: [www.smallcharitysupport.uk](http://www.smallcharitysupport.uk)

### 1.3. Names of the Trustees Who Manage the Charity

Brian Seaton (Principal Trustee)

Daniela Amasanti De Bono; Patrick Forsyth; Pauline Seaton; William Taylor

There were no new appointments or resignations during the period covered by this Report.

### 1.4. Names of Advisors & Senior Members of Staff

None

### 1.5. Bank

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ.

## 2 Structure, Governance & Management

### 2.1. Type of Governing Document

Constitution – based on the Charity Commission’s model governing document for Foundation Charitable Incorporated Organisations, *ie:* where the Trustees are the only Members of the charity.

### 2.2. Charitable Objects

As defined in Small Charity Support’s Constitution (Governing Document):

The charity’s objects (“objects”) are specifically restricted to the following:

***The promotion of the voluntary sector for the benefit of the public by providing management, governance and other support to small charities and voluntary organisations.***

‘The Voluntary Sector’ means charities and voluntary organisations.

- **Charities** are organisations, which are established for exclusively charitable purposes in accordance with the law of England and Wales.

- **Voluntary organisations** are independent organisations, which are established for purposes that add value to the community as a whole, or a significant section of the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations do not include local government or other statutory authorities.

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

**Note - Not forming part of the registered charitable objects:**

*The charity does not offer or provide, and does not purport to offer or provide, any form of specific professional advice or opinion.*

*In particular it does not offer or provide any legal or financial advice or opinion.*

## 2.3. Trustee Selection Methods

There must be at least three charity trustees. The maximum number of trustees is 12.

In accordance with the Constitution, Trustees are appointed or re-appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees.

In appointing Trustees due consideration is given to ensuring that the Trustees have, between them, the skills and experience necessary to manage the charity effectively and in accordance with charity law.

# 3 Activities

## 3.1. Statutory Declaration

The Trustees of Small Charity Support confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit in deciding what activities the charity should undertake.

## 3.2. Meeting the Needs of Small Charities

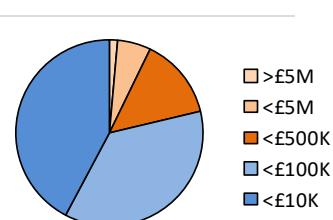
The constantly recurring issue which shapes the activities of Small Charity Support is that of “what, exactly, is a ‘small’ charity?”.

Because larger charities – by virtue of their size, public advertising, fund-raising campaigns, and (occasionally) misdemeanours – more readily attract public attention there is a natural perception that most charities are run by a team of paid administrators / fundraisers who do all the day-to-day work of the charity. For such charities, the Board of Trustees is therefore more of an “umbrella group” which just meets occasionally to ensure that the executive/management team are keeping properly to the charity’s purposes and governing document.

The reality is that, in sharp contrast, almost 80% of all charities in the UK for which the Charity Commission has annual income data<sup>1</sup> have annual incomes which are less than £100,000 per year (the level of income at which being able to afford to pay even low-level administrative staff typically becomes feasible). For those charities the Trustees are also often the people carrying out the bulk of the day-to-day “hands on” work of their charity (the “Head Cook and Bottle Washer” scenario).

And the Charity Commission data do not include the large number of small unregistered charities with incomes less than £5000/yr which are almost exclusively trustee led and run.

Ann.Income	Number	%
>£5M	2,201	1.4
<£5M	8,972	5.8
<£500K	21,956	14.1
<£100K	56,853	36.5
<£10K	65,842	42.3



<sup>1</sup> <https://www.gov.uk/government/publications/charity-register-statistics/recent-charity-register-statistics-charity-commission>

Yet during the course of the year the Principal Trustee has attended several conferences/workshops providing management training said to be “for small charities” in which the training given has clearly been on the presumption that the participant charities will have administration & finance departments (or, at least, administration & finance teams) dealing with a wide range of administrative & financial management activities (eg: bookkeeping, accounting, budgeting, cash flow, management accounting) as if they were largely separate entities.

Even more important: it is now clearly evident that the financial cut-backs to the Charity Commission mean that the resources at its disposal to deal effectively with charity governance issues (and its ability to regulate charities which are failing to implement proper governance) is woefully inadequate. As a consequence:

- The Charity Commission’s once excellent telephone helpline is largely dysfunctional. An increasing number of the callers to the Small Charity Coalition’s helpline (*qv*) report that they are doing so because the Charity Commissions helpline has declined to help them (and, in many case, suggested that they call the Small Charities HelpLine instead);
- The Charity Commission is declining to follow up on allegations of serious charity mismanagement and improper governance, even when there is good documentary evidence to support the allegations (for further comment, see section 3.3.5).

### 3.3. Collaboration with the Small Charities Coalition

Small Charity Support is a member of the Small Charities Coalition:

[www.smallcharities.org.uk](http://www.smallcharities.org.uk)

and as well as benefiting from its support, the Principal Trustee (on behalf of Small Charity Support) actively contributes to the work of the Coalition through its Skills Sharing and Mentoring programmes. Indeed, the majority of the activities undertaken by the Principal Trustee now have their initial origin via the Small Charities Coalition.

#### 3.3.1. Telephone HelpLine

The Small Charities Coalition provides a weekly HelpLine service whereby callers with issues relating to the running of a small charity can call in to seek help and guidance.

The main HelpLine service normally operates 10am to 2pm on Mondays & Thursdays. Callers at other times are usually directed to a pre-arranged 30min appointment during HelpLine hours (though very simple enquiries at other times may be dealt with “on the spot”).

The HelpLine is always very clear that it does not offer a professional advice service – callers seeking such advice are usually directed to appropriate professional services (lawyers, accountants, HR) via the Coalition’s website resources pages.

During the year July 2016 to June 2017 the Principal Trustee of Small Charity Support continued to undertake the volunteer role of staffing the telephone HelpLine of the Small Charities Coalition on Mondays, 10:00am to 2:00/2:30pm. This usually involves working the Small Charities Coalition’s London office, but sometime the calls are taken at home instead to fit in better with other commitments.

A large proportion of calls continue to be from people wanting to set up their own charities and finding the Charity Commission guidance confusing and unhelpful. That’s often because its guidance has been created on a “one size fits all” basis, with the focus being more on the needs of larger charities with paid staff (as referred to in section 3.2). For such callers the best initial way to help is to direct them to the guidance leaflets (see section 3.4.1) on the Small Charity Support “Starting a Small Charity” website ([www.smallcharitysupport.uk/start-ups.html](http://www.smallcharitysupport.uk/start-ups.html))

For callers with more in-depth questions a scheduling system is operated in which callers are booked into 30-min slots. This enables the more difficult calls to be allocated to the Principal Trustee.

Calls about setting up a charity and getting it registered with the Charity Commission are now more about dealing with applications which have been returned by the Charity Commission requesting more detailed information. These are not outright rejections of the application and fall into two

main categories: (1) the proposed wording of the charity's objects/purposes does not comply with the requirements of the Charities Act, and (2) concerns about the financial bases of the proposed charity – particularly whether any of the proposed trustees will be using the charity for personal gain – *ie*: generating an income for themselves.

A particular cause for concern is the number of calls (typically around 1 per month on average during the year) requesting help in dealing with serious governance issues – bullying, failure to comply with the provisions of the charity's governing document, misuse of the charity's assets.

### 3.3.2. Small Charities Coalition "Mini-Matches"

Inevitably, some of the calls to the Small Charity Coalition's Telephone HelpLine cannot be dealt with "on the spot" in a single telephone conversation.

In cases where the caller's issue was of a particularly complex, or long time-scale nature the caller was recommended to submit a request for assistance through the Small Charities Coalition's Trustee Matching program ([www.smallcharities.org.uk/trustee-matching/](http://www.smallcharities.org.uk/trustee-matching/)) or Skills Sharing & Mentoring programme ([www.smallcharities.org.uk/skills-sharing-mentoring/](http://www.smallcharities.org.uk/skills-sharing-mentoring/)).

But where a call could not adequately be dealt with immediately because the issue(s) required:

- ☞ sight and consideration of relevant documentation – *eg*: the charity's governing document; the Charity Commission's response to an application for registration; or
- ☞ time to search for and send relevant materials – *eg*: Charity Commission publications, or documents from other organisations; or
- ☞ a face-to-face meeting with several of the charity's trustees.

those calls were taken off-line and followed up (by the Principal Trustee) outside the established HelpLine hours by a combination of e-mail, telephone and occasionally face-to-face communications.

These extensions of Help-Line calls were referred to as "Mini-Matches" to reflect their similarity – albeit on a much smaller scale – to the Small Charity Coalition's Trustee Matching programme.

Over the year, approximately 45 calls (of which 3 had multiple – *ie*: separate follow-up calls) were dealt with by such extension "Mini-Matches". Whilst the majority involved only minor additional hours (typically <1½hrs per Mini-Match) a number developed into a major commitment of time and effort, in extreme cases extending to more than 80 working hours over a period of several weeks.

### 3.3.3. Mini-Matches – Help with Charity Registration

There were 21 calls requesting guidance with answering the questions on registering a charity prior to submitting an application. Not all of these would have resulted in an application being submitted to the Charity Commission as, in some cases, they were "speculative enquiries", assessing the feasibility and likelihood of success of submitting an application. Of the 21 calls, 10 (48%) went on to be successfully registered as charities without the need for further support and a further 2 were successfully registered following further support with responding to queries from the Charity Commission. Total successful applications 12 (57%).

There were 13 calls which came as a consequence of the Charity Commission querying the initial application. Of those, 2 had sought help prior to submitting their initial application and required further assistance, but their applications were subsequently successful. Of the 13 calls, 10 (77%), including the 2 follow-up calls, were subsequently successful in achieving registration. The remaining 3 calls have not since appeared in the Charity Commission's Register of Charities are assumed either to have been withdrawn or to have failed. As such, their calls have been closed.

### 3.3.4. Mini-Matches – Help with Governance Issues

Many of the calls requesting help with governance issues are "routine" enquiries about how to ensure proper compliance with general "best practice". But there also appears to have been an increase (though the numbers are too small to be statistically significant) in the number of calls requesting help in dealing with governance issues arising from dominant trustees. These usually, but not invariably, allege the Chair to be adopting bullying tactics to push through decisions/actions without the approval of the majority of the trustees (*ie*: with the coerced "approval" of the

trustees) and which are alleged to be in breach of the charity's governing document and the Charities Act.

These issues are difficult to deal with because the caller is usually only able to present their own side of the issue. In the absence of verifiable evidence of what has happened it is impossible to arrive at a clear conclusion as to where any blame actually lies (*ie*: is the issue actually the alleged bullying trustee or the caller merely being frustrated at being unable to get their own way?).

But even where verifiable evidence is (or might be) available, how best to help the caller to deal with their issues presents a considerable dilemma as the following example illustrates.

### 3.3.5. Mini-matches – A Particular Cause for Concern

In one (albeit rare and extreme) case, a Trustee from charity "A" called the Small Charities Coalition's Help-Line for assistance, alleging issues with the Chair of his charity, abetted by his acolytes, running the charity as if it were his own private fiefdom for his own benefit and those of his acolytes and with complete disregard for the governing document.

On being questioned, the caller was able to produce documentary evidence – letters written by the Chair, minutes of meetings, accounts – which, in the view of the Principal Trustee did amount to credible and independent (*ie*: not just the subjective word/opinion of the caller) evidence of mal-governance of the charity.

So the Principal Trustee constructed a Briefing Paper, outlining his perspectives on the documentary evidence and submitted it to the Trustees of charity "A" to bring the issues to their attention so that they could be considered and addressed. However, under the guidance of the Chair, the Trustees deemed the Briefing Paper to be (in paraphrase) worthless and irrelevant and refused to consider it.

Faced with further documented evidence of continuing mal-governance, the Principal Trustee agreed with the caller that the only remaining option was to raise the matter as a Serious Incident Report, supported by the documentary evidence, to the Charity Commission.

The Charity Commission's assessor summarily dismissed the SIR and documentary evidence as (in paraphrase) just an internal spat that the trustees should sort out themselves. The Commission refused to get involved, which the Chair and his acolytes interpreted as the Commission sanctioning their actions – and the mal-governance continued with renewed vigour.

Further representations to the Charity Commission were similarly disregarded.

This leaves the Principal Trustee, and his colleagues at the Small Charities Coalition, in an invidious position.

How are they to respond when Small Charities Coalition HelpLine calls come in from trustees asking help in dealing with similar problems of Chairs/Trustees who seem to be flagrantly flouting the charity's governing document, the law, and best practice?

If they get involved, collect credible, verifiable evidence of mal-governance but, as in the charity "A" example, the offenders simply disregard it and refuse to change their ways, what then? Reporting it to the Charity Commission only makes matters worse if the Commission declines to use its regulatory powers and just "washes its hands" of the matter leaving the perpetrators emboldened. Or do they follow the example of the Charity Commission and simply respond "Sorry – Not our problem – Sort it out yourselves".

Our current strategy is to "excuse" the Charity Commission's unwillingness to intervene (and, therefore, our own) on the grounds of "insufficient resources due to Government financial cutbacks" and suggest to the caller that, as nothing can be done to rectify their issues, they just relieve their own personal distress and anxiety caused by the issues by "walking away" from their current charity and finding another charity that is more congenial to work with.

That is far from satisfactory.

### 3.3.6. Representing the Small Charities Coalition at Other Activities

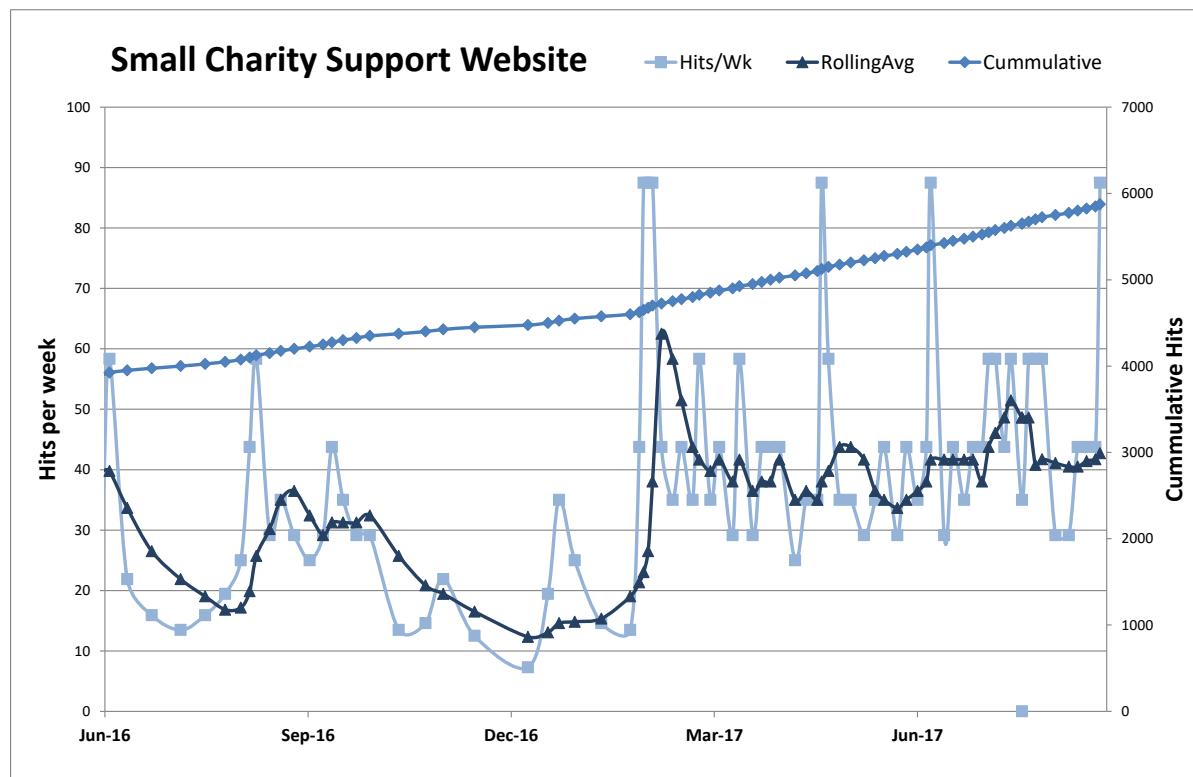
The Principal Trustee has on several occasions represented the Small Charities Coalition in its liaisons with other bodies: *eg*: participating in Usability Testing when the Charity Commission is developing its on-line reporting tools for small charities.

## 3.4. Website

Small Charity Support maintains a web-site – [www.smallcharitysupport.uk](http://www.smallcharitysupport.uk)

The website is now receiving a modest level of 40+ “hits” per week (slightly higher than last year) – higher levels typically occurring when Small Charity Support is engaging with new beneficiaries.

The RollingAvg is the average of the last 5 values and is useful for “smoothing out” the occasional “blips” of unusually high or low values.



As well as providing general information about the services that Small Charity Support provides, the more important function of the website is to make a significant amount of material freely available to download for use by other small charities.

The currently available downloadable materials include:

### 3.4.1. Starting a Small Charity

The “Starting a Small Charity” guidance leaflets, most of which were created last year and are readily available and downloadable from the Small Charity Support website (see section 3.4.1) continue to be a valuable resource and regularly receive complimentary comments.

Callers to the Small Charities Coalition HelpLine are now directed to those guidance leaflets as their initial source of answers to their questions, freeing up HelpLine time to deal with the more complex or specific questions that can't easily be dealt with in “generic” guidance.

Some updates and additions have been made, but a more in-depth review is fast becoming appropriate.

There are currently 15 leaflets in the series, totalling around 185 pages of text, with a further 5 in preparation or planned. Although there have been some minor revisions and additions, the bulk of the guidance leaflets are essentially unchanged from last year. They are:

- 0 Overview
- 1 Outputs & Outcomes
- 2:
  - a: **Charitable Purposes/Objects**
  - b: Example Charitable Purposes
  - c: *Case Studies {Not yet available}*
- 3: Governing Document

- 4: a: Trustees
- b: Officers {Not yet available}
- c: Payments to Trustees
- 5: A "Minute Book"
- 6: A Bank Account
- 7: a: A Way of Recording & Managing Your Funds
- b: Preparing the Annual Report – Unincorp.Associations
- c: Preparing the Annual Report – CIOs
- d: Receipts & Payments vs Accruals Accounting {Not yet available}
- 8: A Business Plan & Risk Management
- 9: Policies & Procedures
- 10: Registering with the Charity Commission
  - a: The questions in the on-line registration form
  - b: Responding to the questions
- 11: Gift Aid Registration with HM Revenue & Customs {Not yet available}
- 12: A Register of the Members of the Charity {Not yet available}

They can be found on-line and downloaded at: [www.smallcharitysupport.uk/StartUps.html](http://www.smallcharitysupport.uk/StartUps.html)

### 3.4.2. Example Policies

A major problem, particularly for the lay-trustees of small charities who have no wider experience to call on – is knowing where to start when trying to draft policies for their own charities.

The following model policies are provided (in both PDF and, on request, word-processor formats) for small charities to download and adapt to their own requirements.

- Bullying & Harassment
- Conflicts of Interest
- Financial Management
- On Becoming a Charity Trustee
- Safeguarding Children & Young People
- Safe Recruitment
- Volunteering (A link to the WCVA model policy)

- Code of Behaviour
- Equal Opportunities
- Large Legacies & Donations
- Reimbursing Expenses & Purchases
- Safeguarding Vulnerable Adults
- Supervision
- Whistle-Blowing

As with the Starting a Small Charity guidance leaflets, an in-depth review of the model policies is fast becoming appropriate

### 3.4.3. Simple Accounts Spreadsheet System

Small Charity Support has developed a simple accounts system suitable for small charities, churches and not-for-profit organisations which do not have the resources (financial or technical) to use commercially available accounts software or to develop their own "in house" system.

The system is primarily for small organisations which run their accounts on a Receipts & Payments basis but it can be adapted for organisations which are required to produce their accounts on an accruals basis (eg: small charitable companies) provided that the "overlap" from one year to another (eg: prepayments, deferred income, creditors, debtors) is not complex.

The system is compatible with both Microsoft Excel and OpenOffice-Calc (a freeware spreadsheet readily available on the internet).

The system is not intended to be a fully functional "up and running out of the box" system but rather a set of ideas which anyone with reasonable "amateur" competence in spreadsheet software would be able to develop and customise to their own requirements. The spreadsheet is therefore built on the "open source" principle – ie: all the coding is fully accessible to the user for them to adapt and enhance as they see fit.

Bank Transactions, FYE: 31-Dec-16									
	Date	Category	Fund	Amount	Command	Balance at 20-Dec-16	Received	Unrecorded	Transactions
1	31-Dec-16					5,702.32			
2	15-Nov-15	P/P-Partnership	Friends House	Advance Deposit, Venue, Feb Coat	400.00 A	5,602.32			
3	15-Nov-15	P/P-Partnership	Friends House	Interest	1.00 A	5,602.32			
4	22-Dec-15	D-PFY Unrecorded	Officialate	Advance Registration, Feb Coat	-246.00 I	5,602.32			
5	27-Dec-15	D-PFY Unrecorded	R-Baldrick	Salaries	-771.50 I	5,602.32			
6	27-Dec-15	D-PFY Unrecorded	J-Hugh	Salaries	-725.50 I	4,165.14			
7	27-Dec-15	D-PFY Unrecorded	J-Hugh	Salaries	-462.00 I	4,165.14			
8	28-Dec-15	D-PFY Unrecorded	R-Baldrick	Deposit, Venue, Feb Coat	-771.44 I	4,230.85			
9	01-Jan-16	P/P-Partnership	Friends House	Deposit, Venue, Feb Coat	200.00 A	2,230.85			
10	02-Jan-16	P/P-Partnership	Venue	Payments, via website	-2.00 I	2,221.85			
11	02-Jan-16	P/P-Partnership	C-Consultants	Payments, via website	-100.00 I	2,221.85			
12	02-Jan-16	P/P-Partnership	G-Meadows	Payments, via website	-250.00 I	2,271.85			
13	02-Jan-16	P/P-Partnership	H-Meadows	Payments, via website	-400.00 I	2,271.85			
14	02-Jan-16	P/P-Partnership	I-Meadows	Payments, via website	-100.00 I	2,271.85			
15	02-Jan-16	P/P-Partnership	J-Thunier	Payments, via website	-250.00 I	2,271.85			
16	02-Jan-16	P/P-Partnership	K-Thunier	Payments, via website	-100.00 I	2,271.85			
17	06-Jan-16	P/P-BetterEating	(R) Better Eatn John Brigg Charitable Trust	First tranche of grant	1,500.00 I	7,131.85			
18	07-Jan-16	P/P-BetterEating	(R) Better Eatn John Brigg Charitable Trust	Second tranche of grant	1,500.00 I	7,131.85			
19	07-Jan-16	P/P-BetterEating	(R) Better Eatn John Brigg Charitable Trust	Third tranche of grant	1,500.00 I	7,131.85			
20	07-Jan-16	P/P-BetterEating	A-Leeds	Salaries	105.00 I	7,336.85			
21	15-Jan-16	P/P-BetterEating	C-Yorkshire	Salaries	80.00 I	7,476.85			
22	15-Jan-16	P/P-BetterEating	E-Liverpool	Salaries	80.00 I	7,476.85			
23	15-Jan-16	P/P-BetterEating	(R) Better Eatn John Brigg Charitable Trust	Salaries	-1,343.55 I	2,647.30			
24	28-Jan-16	P/P-BE-Staff Costs	(R) Better Eatn John Brigg Charitable Trust	Salaries	-971.44 I	5,799.85			
25	28-Jan-16	P/P-BE-Staff Costs	(R) Salveshaw, Hugh	Salaries	-1,500.00 I	5,799.85			
26	29-Jan-16	P/P-BE-Project Costs	(R) Better Eatn John Brigg Charitable Trust	breakfast catering	-96.48 I	7,199.35			
27	29-Jan-16	P/P-BE-Project Costs	(R) Better Eatn John Brigg Charitable Trust	meals	-24.00 I	7,199.35			
28	29-Jan-16	P/P-BE-Project Costs	(R) Health Mail SB Printers	report printing	-296.00 I	6,878.91			
29	30-Jan-16	P/P-BE-Project Costs	(R) Health Mail SB Printers	website	-50.00 I	6,878.91			
30	02-Feb-16	P/P-BE-Project Costs	W-Etherer	Salaries	500.00 I	7,378.91			
31	02-Feb-16	P/P-BE-Project Costs	W-Etherer	Salaries	41.00 I	7,419.91			

The system is not in huge demand – but Small Charity Support continues to receive a steady “trickle” of requests for permission to use the software (all of which have been granted). It is impossible to know how many organisations are using the system without having requested permission or, having requested permission, are still continuing to use it.

However, updates and improvements to the spreadsheet continue to be made from time-to-time – the most recent being the addition of facilities for monitoring/managing individual funds.

The concepts and techniques employed in the system are copyright to the maximum extent provided by law, but the spreadsheet will normally be made available, on request, free of charge to small charities, churches and other not-for-profit organisations on an “as is” basis. As such, the system is not provided with any warranty or guaranteed support service, neither on-line, by e-mail nor by telephone, though reasonable attempts are made to resolve any user-difficulties, particularly where so-doing would enhance the overall functionality and usefulness of the system.

The system has now been in use for several years by a number of charities and has been successfully used to complete their annual Statement of Financial Activity in compliance with Charity Commission guidelines (and SORP requirements for charities producing their accounts on an accruals basis). A small number of additional requests for the spreadsheet were received in this financial year.

### 3.4.4. Business Planning Guidance & Documentation



During the year small number of requests have been received and fulfilled for copies of the Small Charity Support Business Planning materials.

### 3.4.5. Quiz Night Score Board

Some time ago the Principle Trustee created an MS-Excel spreadsheet as a score-board for a charity fund-raising quiz event. Following a request for its use elsewhere the Score-Board Spreadsheet was upgraded and was subsequently put on the Small Charity Support website as a “just a bit of fun” resource for other charities running their own fund-raising quiz events.

Charity Name - Quiz Evening		Table									
Round	Team	A	B	C	D	E	F	G	H	I	J
1:	General Knowledge	5	6	6	8	7	6	5	7	8	
2:	Music	7	5	6	3	7	4	7	8	5	
3:	Television	6	7	7	5	9	7	8	6	7	
4:	Around the World										
5:	Mix and Match										
6:	Sport										
7:	Films										
8:	General Knowledge										
Total Score		18	18	29	16	23	21	20	27	25	
A		B	C	D	E	F	G	H	I	J	
© 2011. Small Charity Support Supporting small charities & voluntary groups											

## 3.5. Independent Examination of Charity Accounts

The Principal Trustee has registered as an Affiliate of the Association of Charity Independent Examiners.

During the year he has carried out the Independent Examination for the National Alliance of Women's Organisations, St.Mary's Church, Kenton, and the Stanmore Choral Society. He is hoping to have an opportunity to undertake a number of other examinations during the course of the coming year with the intention of being able to register as a full member of the Association of Charity Independent Examiners in due course.

For further details see: [www.acie.org.uk/membership\\_full.htm](http://www.acie.org.uk/membership_full.htm)

However, Small Charity Support does NOT intend to offer Independent Examination of charity accounts as a "free-standing" service, *ie*: as a service unrelated to any provision of governance & management support, which is the main focus of Small Charity Support's charitable purpose. The primary intention of seeking registration as an Independent Examiner is to ensure that the financial guidance given to beneficiaries in the course of more general governance & management support is of the highest standard and fully compliant with Charity Commission & Companies House guidelines for the independent examination of the accounts of small charities.

## 3.6. On-Line Comment: Blogs & Publications

The Principal Trustee occasionally publishes comments on Facebook and responds to on-line blogs on charity issues.

### 3.6.1. Iniquitous Gift Aid – Good for charities, even better for the wealthy. (Facebook – 9-Feb-17)

There can be no doubt that Gift Aid is a great boon to charities, large and small.

But there also can be no doubt that the way that Gift Aid works in the UK is iniquitous – a sop to the wealthy – epitomising the biblical parable of “the widow and her mite” (Luke 21:1-4) – the disparity between the real generosity in a tiny donation by someone very poor and the apparent generosity of a large donation by someone very wealthy...

[Continue reading](#)

### 3.6.2. Reaction to Analysis of Charity Types (Civil Society – 1-Mar-17)

**"New analysis identifies six distinct types of charities"**

<https://www.civilsociety.co.uk/news/new-analysis-identifies-six-distinct-types-of-charity.html?>

*Charity consultancy nfpSynergy has identified six separate types of charity to help those working in the sector understand and explain the differences.*

An article with the above title recently appeared on the Civil Society website:

The title reminded me of the quote

*"They have no bread? – Then let them eat cake"* – misattributed to Marie Antoinette.

But both it and she epitomise the arrogant ignorance of those who, from the privileged comfort of their ivory towers, make ridiculous sweeping statements which are completely out of touch with the realities of life for “ordinary” people.

[... See more](#)



### 3.6.3. Reaction to Care Charity Bond Issue {Civil Society – 17-Mar-17}

**Care charity raises £33m in less than a week from bond issue**

<https://www.civilsociety.co.uk/news/care-charity-raises-33m-in-less-than-a-week-from-bond-issue.html?>

*Each investor in the bond will receive interest of 4.25 per cent a year until the bond matures in nine years' time, when they will receive their capital back.*

£33,000,000, at 4.25% interest?

Wow ! That's £1,485,000 of charity money going into the pockets of private investors EVERY YEAR ! That's a cool £13,355,000 of "CHARITY" money over the 9-year term of the bonds !

[... See more](#)



### 3.6.4. Reaction to Conservative Party's Manifesto on Volunteering (Civil Society News, 18-May-17)

**Volunteering pledge dropped from latest Conservative manifesto**

<https://www.civilsociety.co.uk/news/conservatives-drop-volunteering-pledge-in-latest-manifesto.html?>

*The Conservative Party has not included its previous promise to make it easier for people volunteer in its 2017 general election manifesto published this morning.*

"There are lies, damm lies and politicians" - to paraphrase Benjamin Disraeli (who should know - he was instrumental in founding the Conservative Party).

PS: This comment seems to have disappeared from the post in Civil Society News.  
Perhaps the moderator took exception to it ??



## 4 Achievements & Performance

For reasons of confidentiality, the individual detail of Small Charity Support's involvement with its beneficiary organisations is not disclosed in a public document.

### 4.1. How the Public Have Benefitted.

As described in its charitable objects, Small Charity Support delivers public benefit indirectly through the management, governance and other support that it provides to other small charities to enable them to function more efficiently and effectively.

Small Charity Support informally monitors feedback from its beneficiaries but does not have the resources to conduct its own in-depth impartial reviews of its activities.

However, the feedback from beneficiaries introduced to Small Charity Support through its collaboration with the Small Charities Coalition's programmes (*ie*: Telephone HelpLine; Skill Sharing & Mentoring; Trustee Matching) are more formally monitored by the Small Charities Coalition.

Some of the feedback received by the Small Charities Coalition is reported in the Appendix.

### 4.2. Contributing to Activities Run by Other Organisations

- Workshop on restructuring the on-line Annual Report – run by the Charity Commission;
- 2 workshops on small charity finance reporting – run by the Charity Finance Group;
- Workshop on start a small charity or support group – run by Findacure.

### 4.3. Estimated Commercial Value of the Support Services Provided

During the year to June'17 the aggregate number of hours delivered to beneficiaries is estimated to equivalent to 0.60 WTE (0.50WTE in previous year) based on a 37.5hr working week).

The aggregate commercial value of the services provided is therefore estimated as approximately £77,500 (at £75/hr).

There are no independent bench-marks for the figure of £75/hr as there doesn't appear to be any charity consultancy service which is willing to publish its hourly or daily rates.

### 4.4. Trustee Development

Trustees are encouraged to participate in development opportunities as and when appropriate.

During the year the Principal Trustee participated in:

- The AGM of the Association of Church Accountants and Treasurers;
- A workshop on tackling fraud in the charity sector, run by the Fraud Advisory Panel;
- The AGM of CommUnity Barnet (the local CVS of which Small Charity Support is a member);
- The FSI Skills Sharing Workshop;
- The FSI Charity Week Policy Reception;
- The annual conference of the Association of Charity Independent Examiners.

## 5 Financial Review

### 5.1. Details of Any Funds Materially in Deficit

The Charity has no funds which are materially in deficit.

The Charity started the year with an unsecured, interest-free loan of £500 from the Principal Trustee. This was to enable it to open a bank account with CAF Bank (which requires a minimum initial deposit of £1000). The loan was repaid in full at the October AGM.

## 5.2. Policy on Reserves

The Charity's policy on reserves is to generate and maintain a balance which is sufficient:

- a) to preserve the financial viability of the Charity in the event that unforeseen and/or unavoidable circumstance precipitate a short-term fall in its income;
- b) to enable the Charity, in the interests of meeting its objectives, to undertake from time to time the setting up of new and innovative projects on a pilot basis to demonstrate the viability and potential benefits of such activities as a precursor to securing the external funding necessary to maintain such projects on an on-going basis.

For these purposes the Charity will endeavour to generate and maintain reserves which are at least 50% of its annual turnover.

## 5.3. Principal Sources of Funding and Outgoings

Small Charity Support's principal source of funds is private donations. It has not engaged in any specific applications for grants or fundraising activities in the current year to 30 June 2017.

Gift Aid is reclaimed on donations where the donor indicates that is their wish.

Small Charity Support does not make any charge or professional fees for the consultancy and support services that it provides to recipient charities, not-for-profit organisations or social entrepreneurs. But beneficiaries are invited to reimburse identified out-of-pocket expenses (eg: travel, stationery, postage) and, where appropriate, to make a voluntary donation to Small Charity Support's funds in recognition of the services received.

However, where a charity, organisation or individual is unable to contribute to the cost of Small Charity Support's involvement, any out-of-pocket expenses incurred are met from Small Charity Support's own resources.

Small Charity Support's principal outgoings are on car mileage (charged at the current marginal cost of fuel, 30p/mile), parking, occasional public transport and the printing of reports and other documents. As the Principal Trustee works from home, Small Charity Support has minimal administrative outgoings and no accommodation expenses.

## 5.4. Financial Status

Though modest, Small Charity Support's current resources from private unrestricted donations are more than sufficient to meet its outgoings for at least next year.

All the indications are that this will remain the case for the foreseeable future.

Approved by the Trustees and signed on their behalf,



Brian Seaton, Principal Trustee

9 October 2017

# 6 Statement of Financial Activity

## 6.1. Receipts & Payments Accounts for the Financial Year Ended 30-Jun-17

<b>RECEIPTS</b>	<b>Current Year FYE 30-Jun-17</b>	<b>Previous Year FYE 30-Jun-16</b>
<b>VOLUNTARY INCOME</b>		
Donations (Supporters)	40	173
Donations (Beneficiaries)	0	153
Gift Aid	0	0
	<b>40</b>	<b>325</b>
<b>INCOME GENERATION</b>		
Miscellaneous	0	0
<b>INVESTMENT INCOME</b>		
Interest-Bank Accounts	0	0
<b>CHARITABLE INCOME</b>		
Income from Services	0	0
Expenses Reimbursed by Beneficiaries	0	100
Miscellaneous	0	0
	<b>0</b>	<b>100</b>
<b>TOTAL RECEIPTS</b>	<b>40</b>	<b>426</b>
<b>PAYMENTS</b>		
<b>CHARITABLE ACTIVITIES</b>		
Consumables	0	44
Travel & Accommodation	46	119
Meetings & Events	0	163
Expenses Reimbursed by Beneficiaries	0	25
Miscellaneous	0	0
	<b>46</b>	<b>351</b>
<b>GOVERNANCE</b>		
Trustees Meetings	0	3
Trustees Development	35	15
Audit/Examination	0	0
	<b>35</b>	<b>18</b>
<b>ADMINISTRATION</b>		
Consumables	0	32
Services	40	0
Publicity & Promotion	0	20
Fundraising & Income Generation	0	0
Networking	73	70
Miscellaneous	30	0
Contingency	0	0
	<b>143</b>	<b>122</b>
<b>TOTAL PAYMENTS</b>	<b>224</b>	<b>492</b>
<b>Net Receipts Less Payments</b>	<b>-184</b>	<b>-66</b>

## 6.1.1. Summary of Receipts & Payments Accounts

	Current Year FYE 30-Jun-17	Previous Year FYE 30-Jun-16
Total Receipts	40	426
Total Payments	224	492
<b>Net Receipts Less Payments</b>	<b>-184</b>	<b>-66</b>
<b>Brought forward from Last Year</b>	<b>1,079</b>	<b>645</b>
<b>Interest-free Loan</b>	<b>-500</b>	<b>500</b>
<b>Carried Forward to Next Year</b>	<b>395</b>	<b>1,079</b>

## 6.1.2. Statement of Assets and Liabilities

	Notes	£
<b>MONETARY ASSETS</b>		
Cash		0
Bank Account		395
Other Investments		0
		<u>395</u>
<b>NON-MONETARY ASSETS</b>		
Fixed Assets	d	0
<b>MONIES DUE TO THE CHARITY</b>		
Sundry Debtors		0
Gift Aid Recoverable		0
		<u>0</u>
<b>LIABILITIES</b>	e	
Sundry Creditors		0

## 6.1.3. Disposition of Funds

The Charity has no designated or restricted funds

## 6.1.4. Approval of the Board of Trustees

The Trustees declare that they have approved the above Annual Report and Statement of Financial Activity. Signed on behalf of the Trustees

Brian Seaton, Principal Trustee.

Date 9 October 2017

## 6.2. Notes to the Accounts

### a) Accounting Policies

The financial statements have been prepared in accordance with the Charities Act 2011 Section 133, using the Receipts and Payments basis available to small charities.

### b) Reimbursement of Out-of-Pocket Expenses

Where out-of-pocket expenses incurred in the course of a project are reimbursed by the beneficiary organisation the expenses claim is made by the Principal Trustee directly to the beneficiary. The expenses thus incurred and reimbursed by the beneficiary organisation are recorded in the charity's accounts as an internal contra between the relevant nominal accounts but the amount does not pass through the charity's bank account.

Out-of-pocket expenses incurred by the Principal Trustee which are not reimbursed by a beneficiary charity/organisation are reimbursed from Small Charity Support funds in accordance with the prevailing Financial Policies & Procedures.

The Principal Trustee was reimbursed for £94 of out-of-pocket expenses in the financial year.

### c) Salaries & Professional Fees

Small Charity Support does not charge any professional fees for the consultancy and support services that it provides to beneficiary charities/organisations.

No trustee receives any payments for the services they provide to the charity.

In the current financial year the charity employed no staff or external contractors;

d) Fixed Assets

The charity has not purchased or disposed of any fixed assets in the current financial year;

e) Creditors

An unsecured interest-free loan of £500 was repaid in October 2016

Cheques issued prior to the end of the financial year but not appearing in the end of financial year bank statement are only reported as outstanding creditors if they remain unpresented at the time of producing the financial statements.

f) Rounding Discrepancies

All amounts are recorded to the penny, but in these accounts are shown as digitally rounded to the nearest pound. This can occasionally result in a total apparently not being the sum of its constituent amounts. All individual amounts, and their totals, are nevertheless correct.

## 6.3. Independent Examiner's Report on the Accounts

### Report to the Trustees & Members of Small Charity Support

### on the accounts for the year ended 30 June 2017 set out on pages 13 to 15

#### 6.3.1. Respective Responsibilities of Trustees and Examiner

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

It is my responsibility to

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

#### 6.3.2. Basis of Independent Examiner's report

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

#### 6.3.3. Independent Examiner's Statement

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

- a) which gives me reasonable cause to believe that, in any material respect, the requirements
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Malcolm Gill

Malcolm Gill

3 Scotsraig, Gills Hill Lane, Radlett, Herts WD7 8LH

Date: 14/10/17

## 7 Appendix: Comments Received by Small Charities Coalition

- Recently, I contacted the Small Charities Coalition helpline to assist with an application to the Charity Commission to create a CIO; The Secchi Disk Foundation CIO. I did not have the funds to seek legal advice and so I found the assistance I was given by the Small Charities Coalition to be very valuable. As a direct result of the help I received I am pleased to say that Secchi Disk Foundation CIO application was successful with the minimum of revision, which I am sure was as of much benefit to the Charity Commission as it was to myself.
- Thank you again for connecting me with Brian. I was so impressed with his wealth of knowledge earlier today; not only was he able to answer every question I sent his way, but he also flagged up common issues and pitfalls, thereby answering questions I didn't even know I had. His experience and expertise are evident, and I'm grateful to him, and to you for your quick and thorough follow-up in ensuring we connected.
- I just wanted to let you know that we have received Charitable status with the Charity Commission. Thank you for your invaluable help. I don't think I could have done it without your help. The service provided by yourselves and Brian was invaluable. It helped me again and again and gave me the confidence to keep going.
- Both I and Penny have written to Brian with an update (there have been some recent encouraging developments) and much appreciation.  
All goes to prove what valuable support you are providing to small (and struggling) charities like ours!
- My thirty minute conversation with Brian yielded more information and answers to questions than I could possibly have hoped for. During my ministerial career I have been involved with a number of small charities. Brian's assistance in guiding us towards an appropriate structure and governance for the twenty-first century was invaluable and I am sure will allow us to concentrate on the purposes for which the charity was formed two hundred years ago.
- Every time that I look at your website or telephone your Help Line for advice I mean to thank you. I run my charity from my dining room table supported by volunteers and the practical help you provide is so valuable to me. In fact it is a life line.  
I am in my 70s and so much has changed since I was fully employed and I really struggle with all the complexities of the legal and financial demands of running a charity.  
Your staff are friendly and efficient and give real practical help and go out of the way to find the answers or point me in the right direction - they never make me feel bad about seeking for help.  
So thank you - you have no idea of the impact of your services.
- I would like to express my appreciation for the excellent support of the SCC's Brian Seaton, whose guidance through our charity registration process gave us the focus and confidence that we would not otherwise have had to respond fully and directly to the questions we had been asked by the Charity Commission.  
His generosity with his time - going above and beyond the requirements of his role, and being available for questions and input outside the formal processes - also made a huge difference to our application.  
This work is invaluable for giving important causes the support they need and may otherwise not get to be realised and to bring great changes to society.
- I would just like to say a great thank you to Brian for his help and assistance today at around 12pm on the small charities helpline.  
Truly it was such a great source of intelligent and practical support. I am now empowered to do my best for the poor and vulnerable worldwide.
- Many thanks. I'm delighted and also very grateful indeed for a call from Brian just now.  
He was so helpful
- Brian did call back and was very helpful. I now understand all the stages for my charity registration and will be getting all the necessary documentation ready this weekend.