

## Charities and not-for-profit organisations



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The trustees of charitable and not-for-profit organisations face some complex challenges and a changing regulatory environment. Staying on top of the more onerous requirements coming into force under the Charities Act 2006 and increasingly stringent governance guidelines can be a formidable task and an added pressure on trustees. Failure to comply with these requirements can result in bad publicity, leading to loss of support.

At the same time, many charities are facing sharp reductions in income as a result of lower investment returns and falling disposable income among donors.

Our team of charity specialists is experienced in dealing with these challenges.

### Setting up

We work with all types of charities at all stages of their development. We can help set up and register a charity with the Charity Commission, including making sure its objectives meet the new public benefit test guidelines. Some charities are finding they need to refocus their activities to comply with these.

We can also advise on the most appropriate structure for the organisation. For example, charities may now consider registering as a Charitable Incorporated Organisation (CIO), an option which is being introduced by the Charities Act 2006 aimed at minimising trustees' liabilities.

### Charity Commission requirements

Registered charities with gross annual income over £10,000 must provide annual information and accounts. Smaller organisations which have more than £5,000 of annual income are expected to complete an annual return to ensure their details are up to date. Charities have ten months from

the end of their financial year to file the annual return and accounts with the Charity Commission. Charities that file their documents late will be listed as defaulters on the register.

Shipleys can help with any or all aspects of your annual return, whatever the size or type of your organisation.

### Accounting, audit and assurance

There are different audit requirements for charities depending on their size and status. We can help you meet your obligations by helping you set up the right system to enable you to keep accurate and reliable financial records, comply with the latest SORP (recommended accounting practice) for charities and ensure cost-effective accounts preparation or independent audit.

Shipleys can also work with trustees and finance staff to maintain appropriate internal controls and help minimise the incidence of fraud.

### Taxation

For most charities tax on income is not a major issue. However, our specialist team can give advice on the possible tax implications of a charity's operations, including, for example, VAT issues arising from any trading activity such as souvenir shops or sale of light refreshments. We may advise your charity to set up a limited company through which to trade to maximise tax efficiency.

Shipleys helps with all aspects of Gift Aid planning to make sure that charities maximise the opportunity to reclaim the tax on donations. Investment income may be subject to taxation and our team can advise on recoverability options.

We also offer payroll services to ensure the correct payment of National Insurance Contributions.

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### Strategic planning

At Shipleys we are taking a pro-active role to help charities through this particularly challenging economic period. We can work with you to assess what has been achieved and what can be done to meet future goals. We assess financial and operational risk and analyse the key drivers of performance improvement. By using the most appropriate reporting systems and management information, we can advise on budgets and forecasts, and fundraising effectiveness. We can help you assess the use of resources and identify cost saving opportunities where appropriate.

Once strategic options have been identified we can work together to develop an action plan tailored to the specific needs of your organisation and provide assistance in implementing the plan successfully.

### Governance and trustees' responsibilities

Our charities team at Shipleys is fully up-to-date on Charity Commission, Companies Act and other regulatory requirements. We help trustees to meet their obligations under the Combined Code of Corporate Governance and advise on the correct procedures to be adopted for the effective running of both the financial and wider aspects of the charity. We work closely with boards of trustees to advise them on best practice with regard to their role, structure, leadership, performance and development.

### Co-ordinated advice

We often play an important role in co-ordinating teams of external professional advisers. We have close relationships with specialists in employment law, health and safety, data protection, IT and human resources, and can put you in touch with them as necessary.

### Our clients

We work with trustees and finance staff from a broad range of charitable organisations, from well-known national charities and their local branch offices, to independent schools, charitable trusts, religious orders and Government training bodies.

### Shipleys' charities team

Our team of charity specialists at Shipleys is experienced in dealing with the complex challenges and changing legislative requirements facing the voluntary sector. This enables us to deliver appropriate, independent advice underpinned by a thorough understanding of the current regulatory framework.

The team is led by principal Simon Robinson, who is a holder of the Diploma in Charity Accounting (DCHA) from the ICAEW and has specialist knowledge of the accounting, audit and governance issues facing charities.



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Alastair Mein  
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**Specific advice should be obtained before taking action, or refraining from taking action, on any of the subjects covered above.**

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