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Charity Seminar



Welcome

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Agenda

- 09:30 Setting the scene
- 10:15 People & ESG
- 10:45 Becky Aldridge, Dorset Mental Health Forum
- 11:15 Coffee & networking
- 11:35 Durgan Cooper, Cyber Security
- 12:00 Technical update, hot topics & Q&A
- 12:30 Lunch & Close

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Setting the Scene

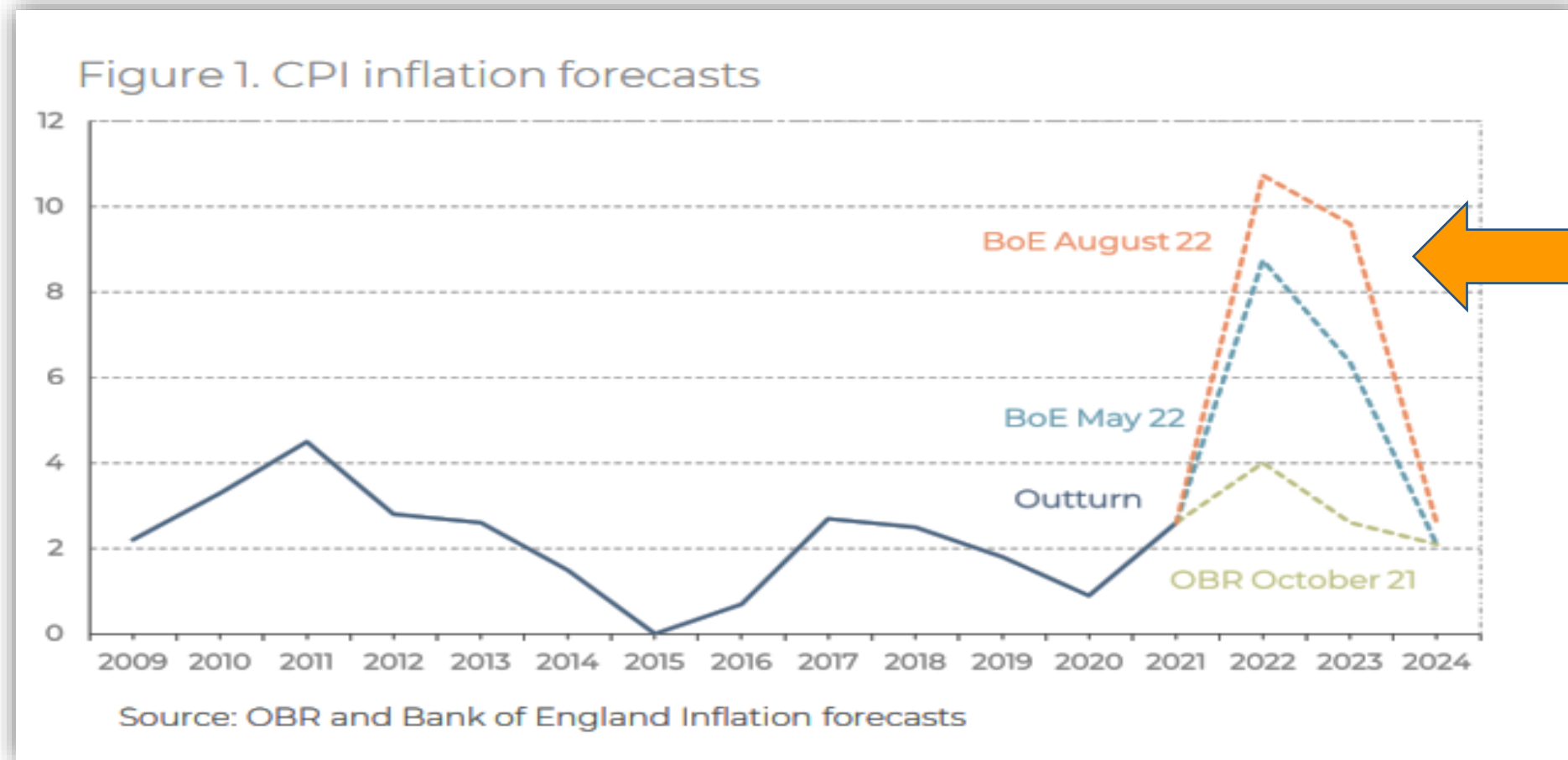
Setting the scene

Number and percentage of voluntary sector organisations by size, 2019/20

Income band	Name	Number of organisations	% of all organisations
Less than £10,000	Micro	74,242	44.79
£10,000 to £100,000	Small	58,546	35.32
£100,000 to £1m	Medium	26,253	15.84
£1m to £10m	Large	5,872	3.54
£10m to £100m	Major	782	0.47
More than £100m	Super-major	64	0.04
All organisations	Total	165,758	100.00

Source: NCVO, Charity Commission • [Get the data](#) • Created with [Datawrapper](#)

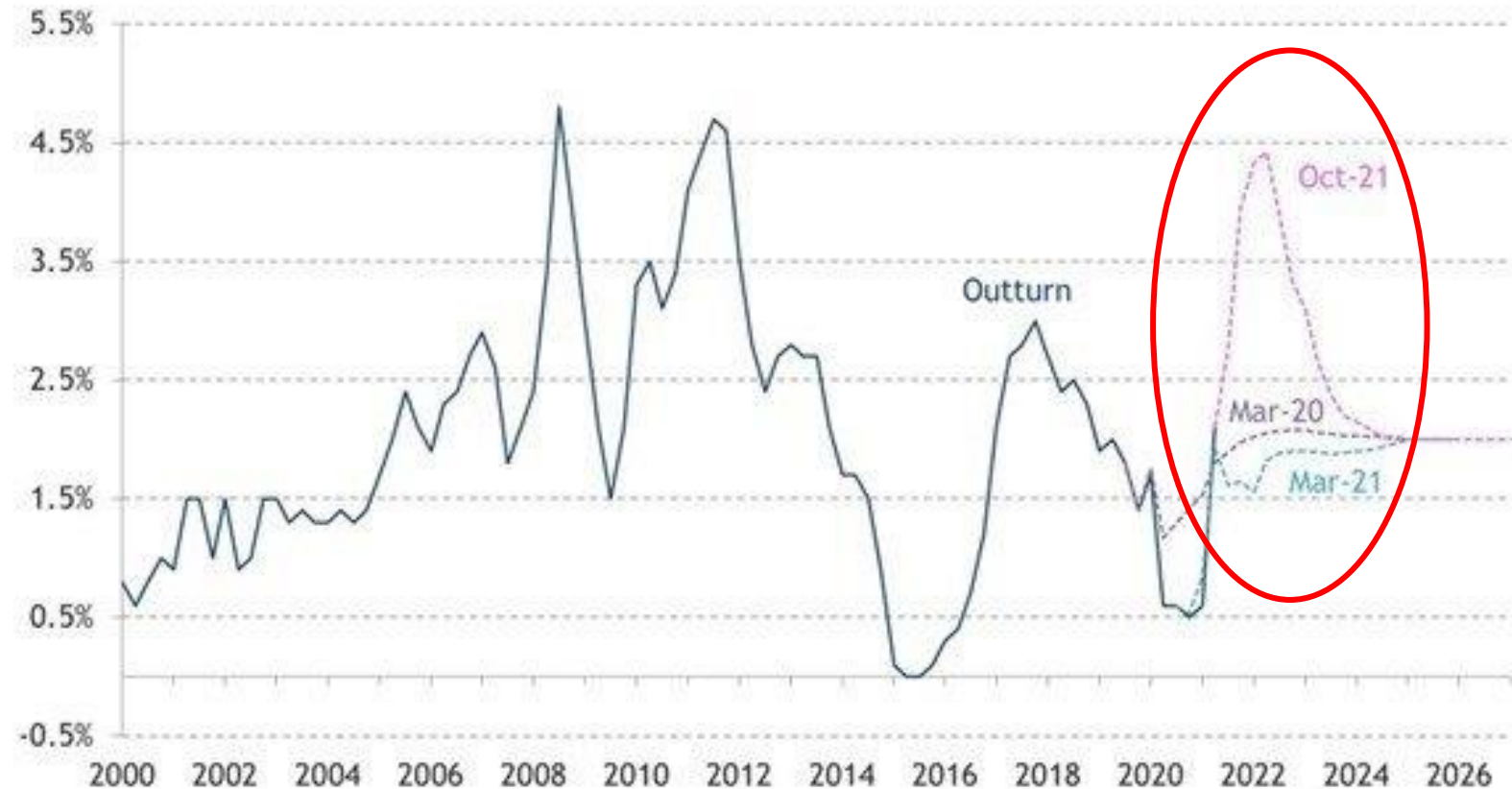
Setting the scene



← Understand impact of inflation on your organisation

Autumn Statement 2021

- OBR predicted inflation would increase to 4.4% last year

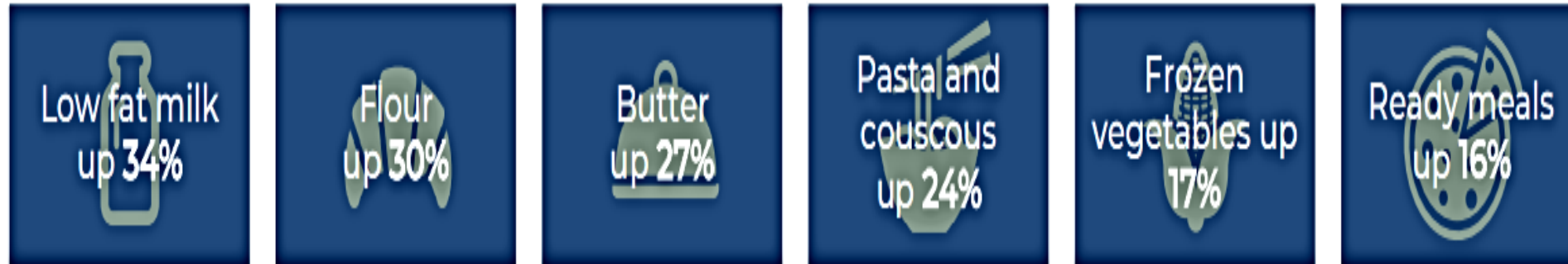


Setting the scene



- **77%** people very or somewhat worried about the rising cost of living
- **43%** people finding it very or somewhat difficult to pay energy bills
- **30%** people finding it very or somewhat difficult to pay mortgage or rent

Setting the scene



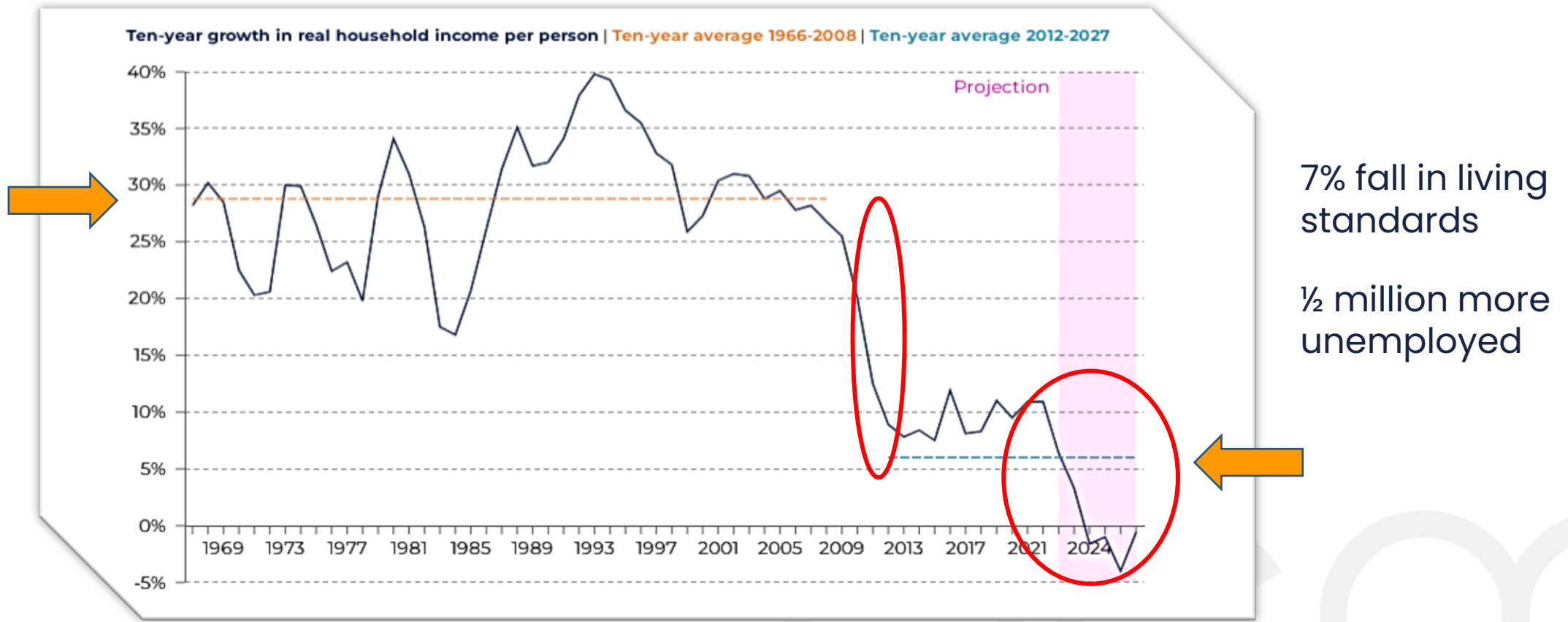
Year on year CPI, July 2022

λειτουργία του λανθάνοντος CPI, 7 Ιουλίου 2022

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Setting the scene

Ten year growth in real household income per person

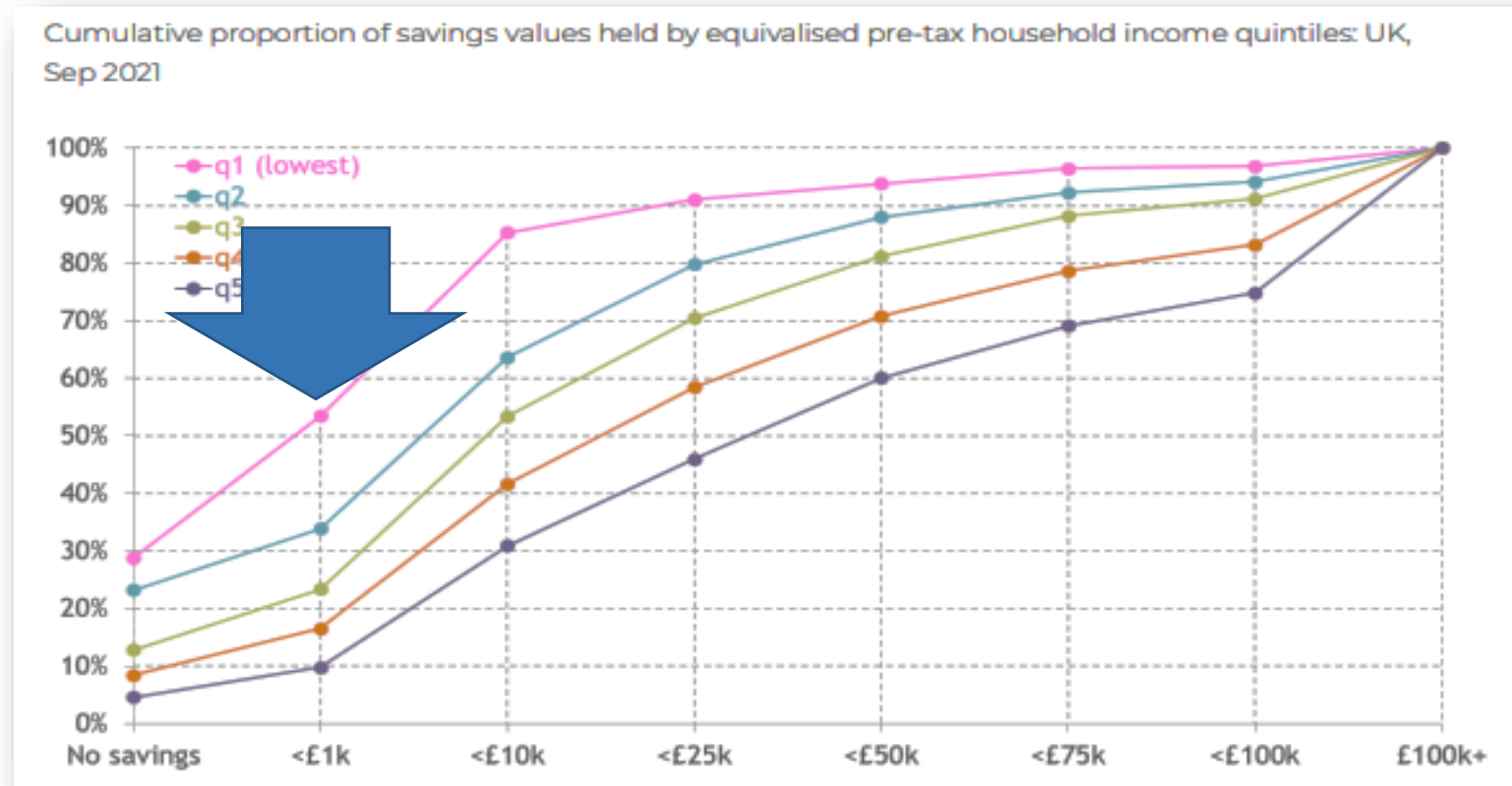


7% fall in living standards

½ million more unemployed

Source: ProBono Economics

Setting the scene



Source: ProBono Economics

Autumn Statement

- Increase in Minimum Wage
- Benefits and pensions to rise with inflation
- Spending cuts delayed
- Real term increases for NHS, social care and education
- 70 page Statement
- The word “charity” doesn’t appear once
- Civil society absent from accompanying speech
- No new investment in the sector itself



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Autumn Statement

- Discount on energy bills – stops March 2023
- Recognise need for further support
- Scale will be significantly lower and targeted at those most affected
- Reduction in foreign aid budget to 0.5% remains
- Plan to increase to 0.7% in 24/25



Autumn Statement

Many were forced to spend reserves to survive the pandemic and are now on the verge of buckling under the compounding pressures of increased demand, skyrocketing operational costs, eroding income, and challenges recruiting staff and volunteers. **Civil Society**



Charities are at the frontline of the cost-of-living crisis helping those most in need – providing warm places, food packages, mental health services, and support for the homeless. So it's disappointing that the chancellor did not mention any support for charities. These organisations are under severe financial strain, facing soaring energy bills, declining income as people cut back, but significantly rising demand for their services. Charities must be at the centre of any continued energy support and need to know where they stand.

CAF

The support that charities give to all parts of society, particularly at a local level, is critical to many people, but charities also need support in these challenging times. It's worrying that there was no recognition in the chancellor's statement of the role played by charities and yet demands on their services continue to rise at a time when donors have less disposable income.

Charity Tax Group



Impact on the sector...

Impacts on the sector

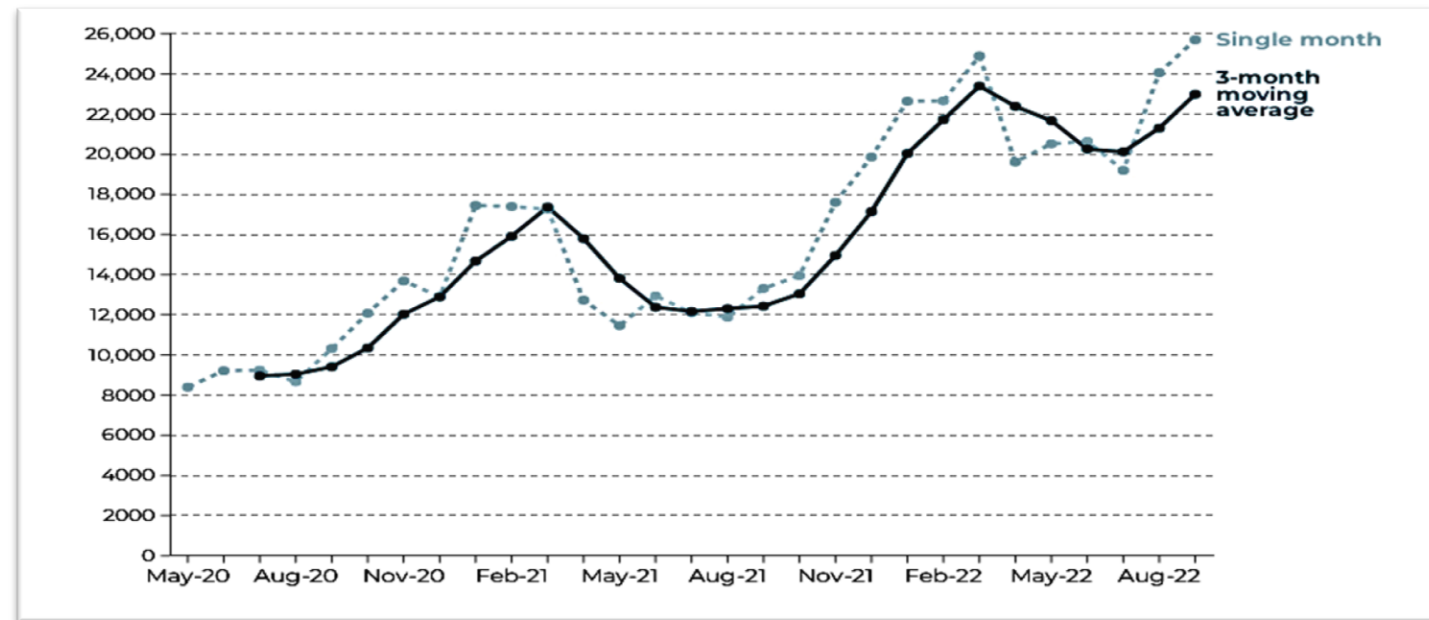
- **Beneficiaries - Demand** 
 - **Income - Investments** 
 - **Costs** 
 - **Staff & volunteers** 
-
- **“The resources charities have to manage increased demand will be dangerously stretched” - PBE**

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Demand for services

No of people referred to foodbanks & other charitable support

- Increasing numbers of people turning to charities for support
- **32%** higher than pandemic peak
- **85%** higher than same period in 2021
- **157%** higher than before first lockdown
- **Resources to match this demand already stretched**



Source: ProBono Economics

We hear of people unable to cook the food they rely on from food banks as they cannot afford to switch on the oven or hob; families limiting themselves to one shower per week; and elderly people riding buses all day to stay warm.'

Demand

Charity income will drop

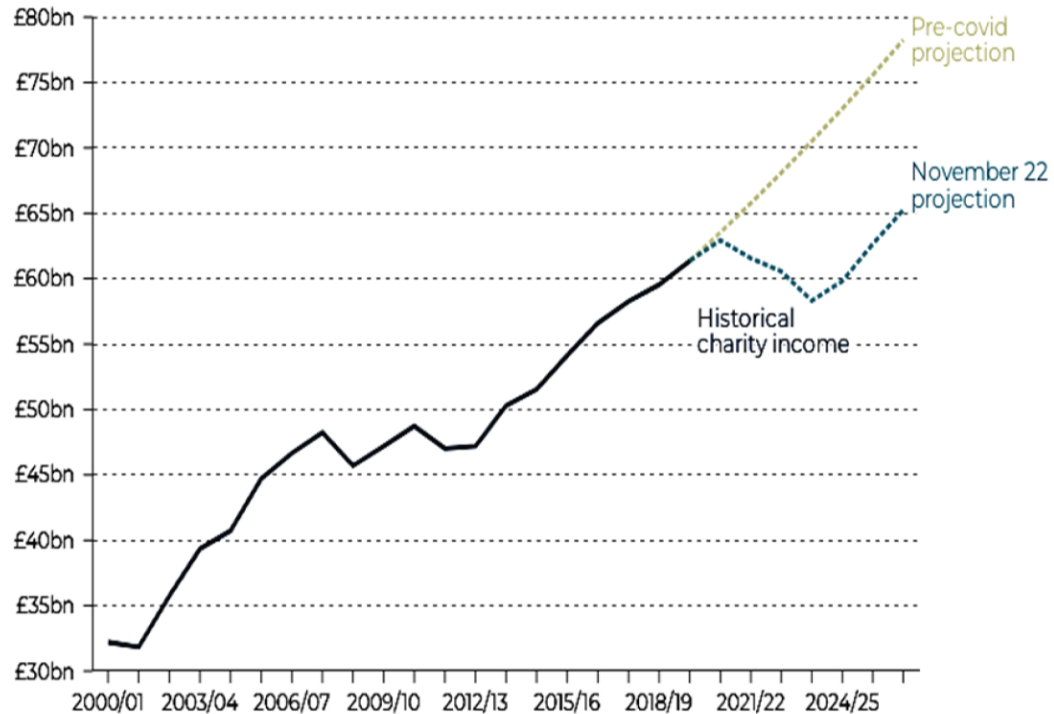
“With the country now in recession, living standards are set for the biggest hit on record. Surging inflation, spiralling borrowing costs and rising unemployment mean household budgets will come under severe strain. As has been the case throughout the cost-of-living-crisis, the demand for charity support will be substantial. **Pro Bono Economics**



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Income Projections

Charity income projections to 2027

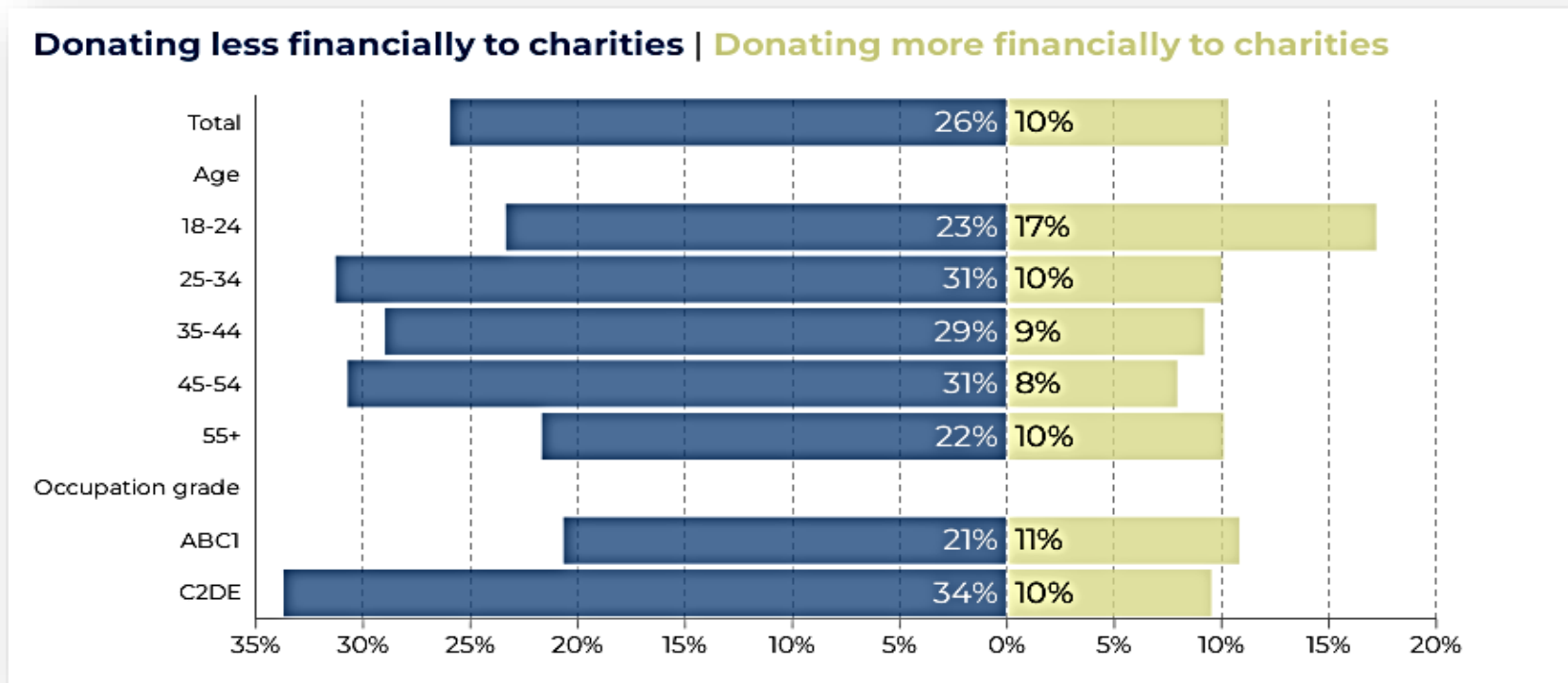


Notes: PBE analysis of OBR, ONS, NCVO, HMT and Land Registry

- Real charity income projected to fall by **£1bn** 22 to 23
- **£2.2bn** fall projected the following year
- Nearly one in ten people held back from donating in September
- **6%** reduced or stopped a regular payment to charity

Donations

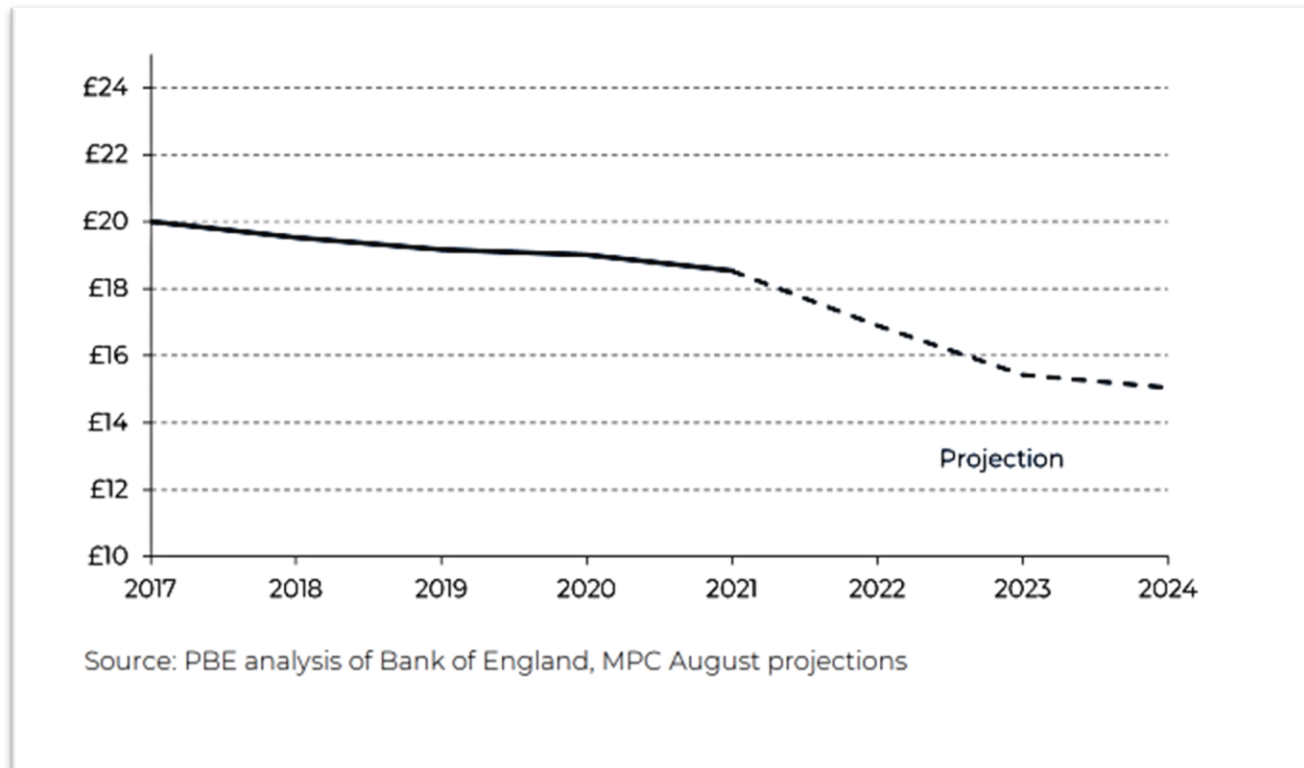
Impact of COL crisis on charity donors



Source: ProBono Economics

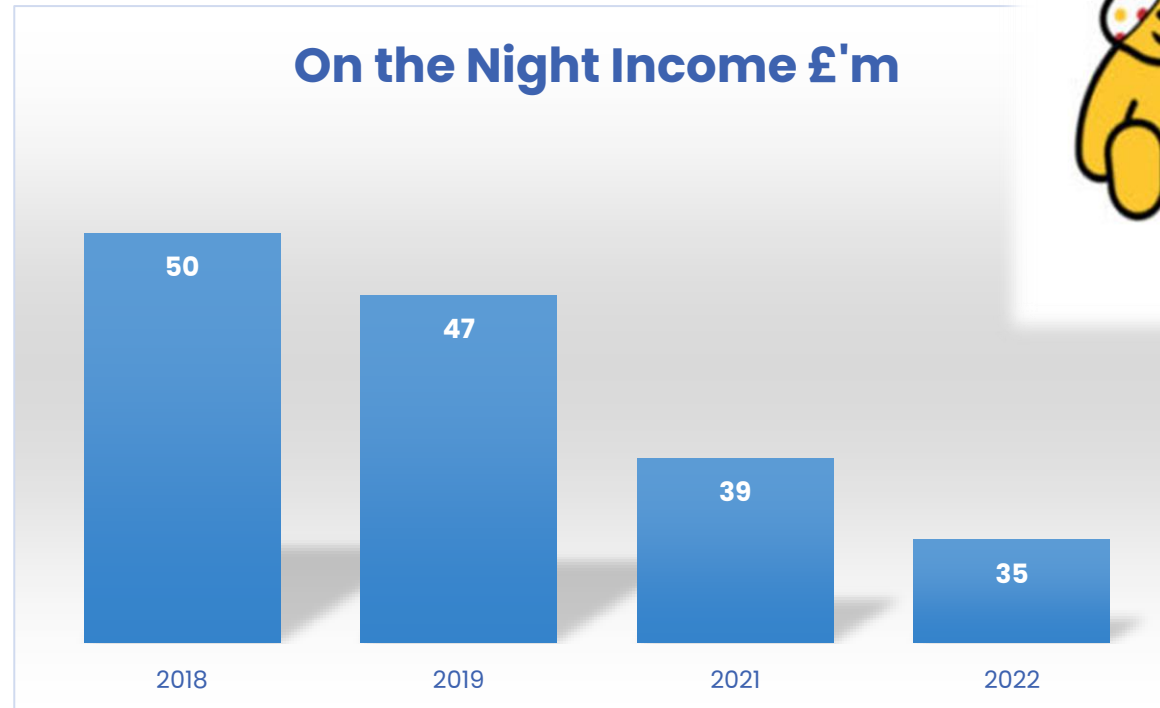
Donations

Impact of inflation on 2017 donation



- Average monthly donation **£20**
- Already not keeping up with inflation
- £20 donation in 2017
- Worth £16.97 today
- Worth **£14.90** in 2024
- “New normal” higher donations
- Encourage donors to give more?
- Also holds true for multi year grants

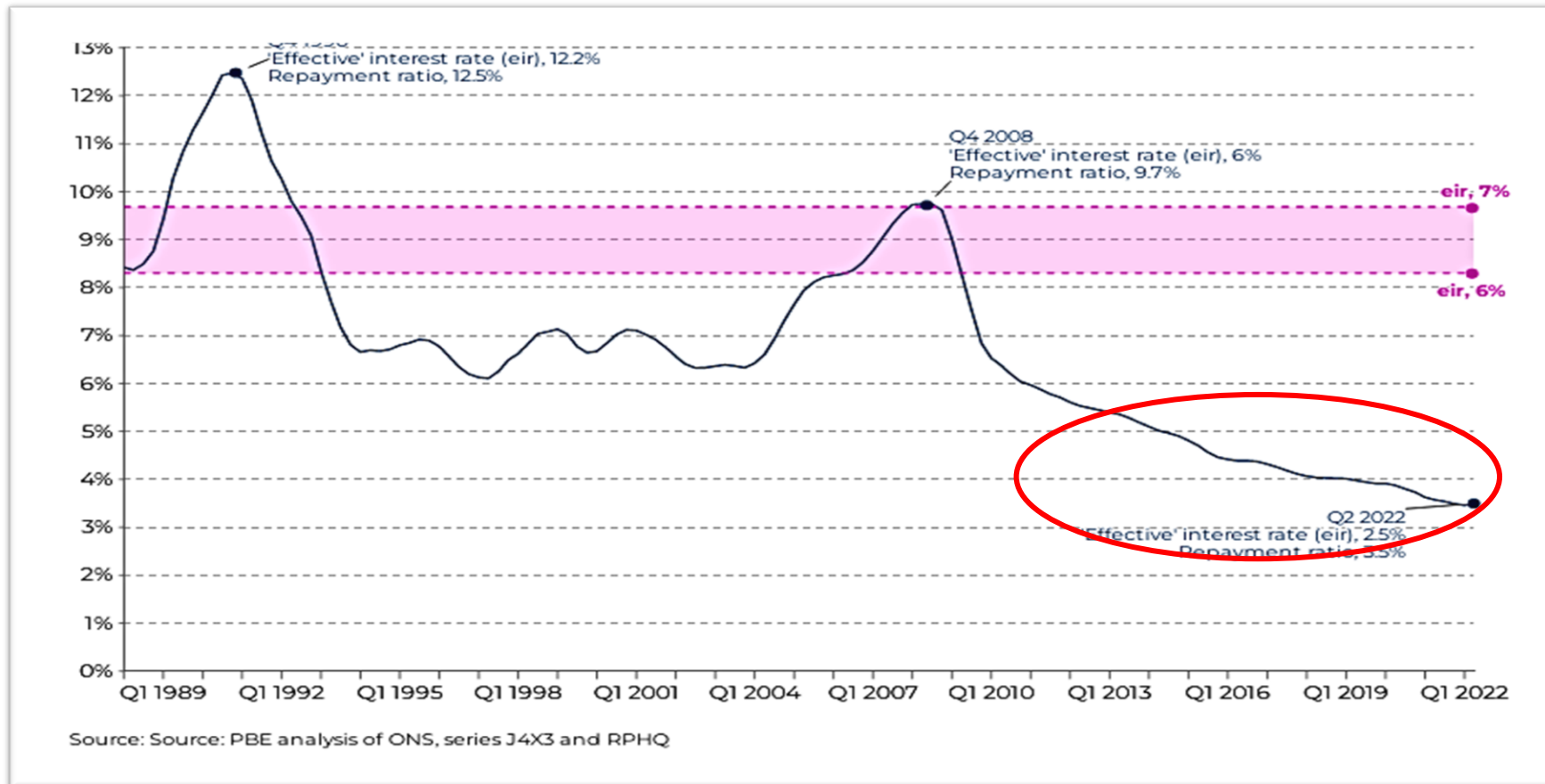
Donations reducing



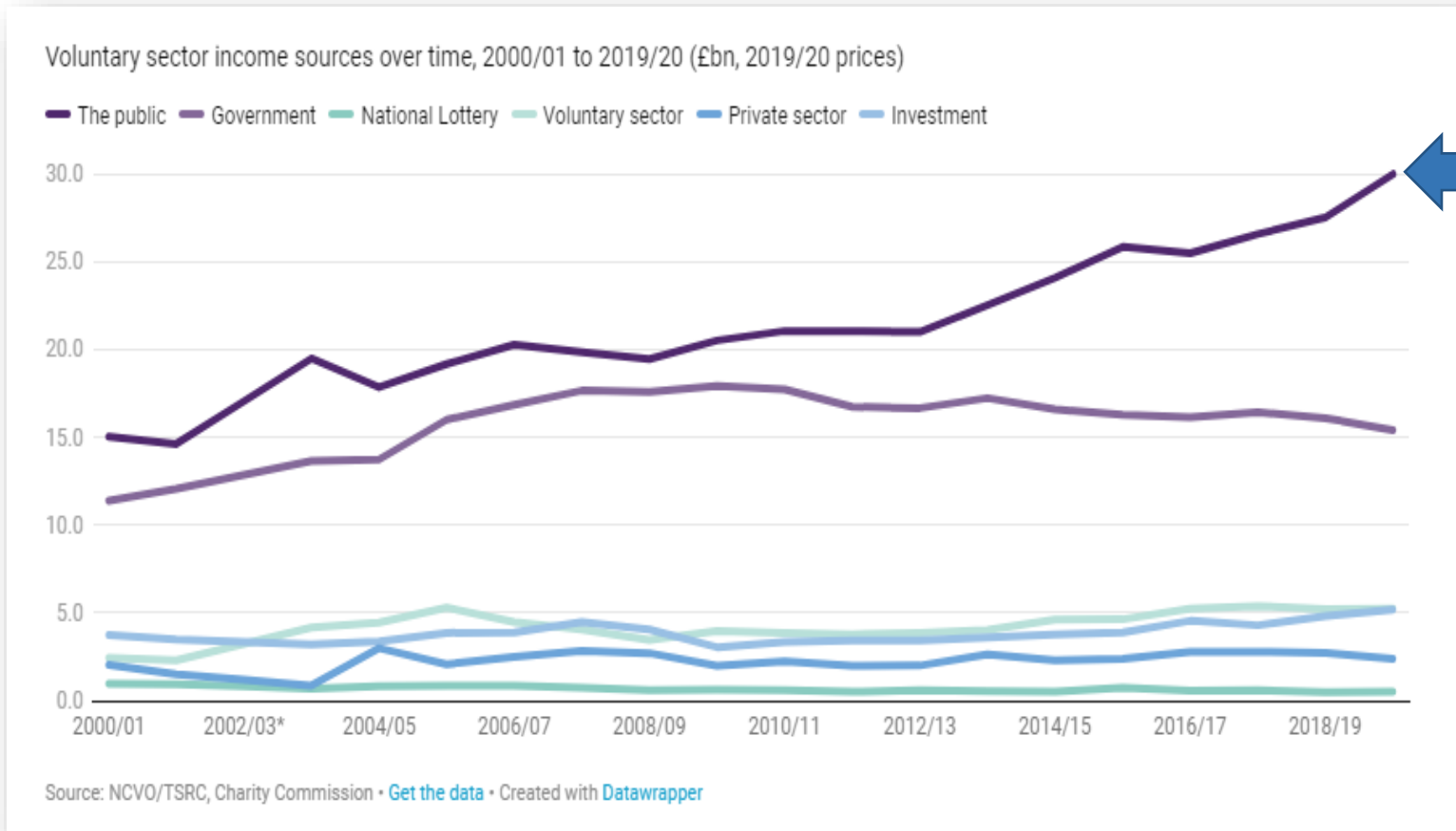
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Interest rate rises

Debt servicing costs as % disposable income



Income by source



Public Largest income source

£30bn

51% of total income

Source: NCVO Civil Almanac 2022

Income by organisation size

Number and percentage of voluntary sector organisations by size, 2019/20

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Source: NCVO, Charity Commission • [Get the data](#) • Created with [Datawrapper](#)

Fall of 26% in income for micro and small organisations since 2007

Fall of 16% in income for medium organisations since 2007

Growth of 34% in income for the largest charities since 2007

Income

- ✓ Review Fundraising Strategy
- ✓ Can existing resources go further?
- ✓ Reassess how cash reserves held
- ✓ Focus on existing donors
- ✓ How are you communicating need for support?
- ✓ More flexible funding from donors?
- ✓ Ensure Gift Aid claimed

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Income

FUNDING AND INCOME
Practical tips and step-by-step guides on how to find the money you need for your community group, organisation or charity

All about grants →

- Deciding to apply for a grant
- Getting ready to apply
- Understanding a grant fund
- Writing your application
- Preparing your budget
- After you apply

How to find grants →
Basic guidance and top tips and tricks for finding grants

Local funding advice and support →
Find out about the different organisations that can help you

Fundraising methods →
Introduction to lots of fundraising methods including digital fundraising

Funding and income planning →
Guidance to help you think about your funding and income planning

Delivering public services →
The commissioning cycle

www.ncvo.org.uk/help-and-guidance/funding-income

Income

Links and resources

- [Guidance on funding and income](#)
- [Use our funding and income planner](#)
- [All about grants](#)
- [How to find grants](#)
- [Fundraising methods](#)
- [Charity finance for non-financial managers](#)
- [The Directory for Social Change \(DSC\)'s Funds Online](#), a database of funding opportunities. Smaller organisations with an annual income below £1m can also use [My Funding Central](#).

The logo for NCFE (National Council for Education and Training) is displayed in a bold, purple, sans-serif font. The letters 'N', 'C', and 'E' are connected, and the 'F' is a stylized, downward-pointing chevron shape. The 'O' is a simple circle.Large, light grey, stylized letters 'a', 'c', and 'm' are positioned at the bottom of the page, partially overlapping the footer area.

Energy Costs

Rising energy costs major driver

Rising fuel costs – impact on volunteers

– impact on beneficiaries accessing services?

Household energy costs resulting in increased demand

Prior to the introduction of the Energy Price Guarantee, the Joseph Rowntree Foundation believed low-income families will hand over **26% of their income** after housing costs to pay for gas and electricity in 2023/24

The Resolution Foundation estimated that a typical low-income household is now expected to need an **extra £418** to pay their energy bills in January–March 2023.

Impact on charities with premises





Understand financial resilience

Governance – frequency of meetings, speed of decision making, diversity, scenario planning, risk management

Culture – innovative, open embrace learning and feedback

People – well being, multi skilled flexible work force – capacity in system to respond?

Information management – how needs access to what, and is it secure?

Finance – income diversification, level of fixed costs, WC requirements



Guidance



The cost of living crisis will affect every charity – whatever their size or cause. If you need support or guidance, we're here to help.

Cost of living

- ↓ Help and guidance
- ↓ Webinars and training
- ↓ Support
- ↓ Policy and influencing
- ↓ Support for organisations
- ↓ Support for individuals

The cost of living crisis will affect every charity – whatever their size or cause. If you need support or guidance, we're here to help.

www.ncvo.org.uk/help-and-guidance



Guidance

NPC



The cost of living crisis is as big a crisis as Covid, possibly bigger. More people will need the help charities provide, yet charities will find it harder to support them as inflation increases their own costs and erodes the value of reserves and pre-pledged donations.

We need the kind of mobilisation among funders that we saw at the start of the pandemic, yet right now we're not seeing this. Now is not the time to watch and wait. Destitute people can't wait.

[What is it like to face financial hardship in Britain?](#)

[Why is financial hardship rising?](#)

[Who will be worst affected?](#)

[What are the secondary effects of financial hardship?](#)

[What is the government doing?](#)

[How is inflation making it harder for charities to respond?](#)

[How should charities adapt?](#)

[How can funders help?](#)

[What you can fund to reduce financial hardship](#)

www.thinknpc.org/resource-hub/cost-of-living





People

People

1.1m employees in the sector

40% organisations are employers

43% of employers struggling to recruit new staff

20% of organisations struggling to retain staff

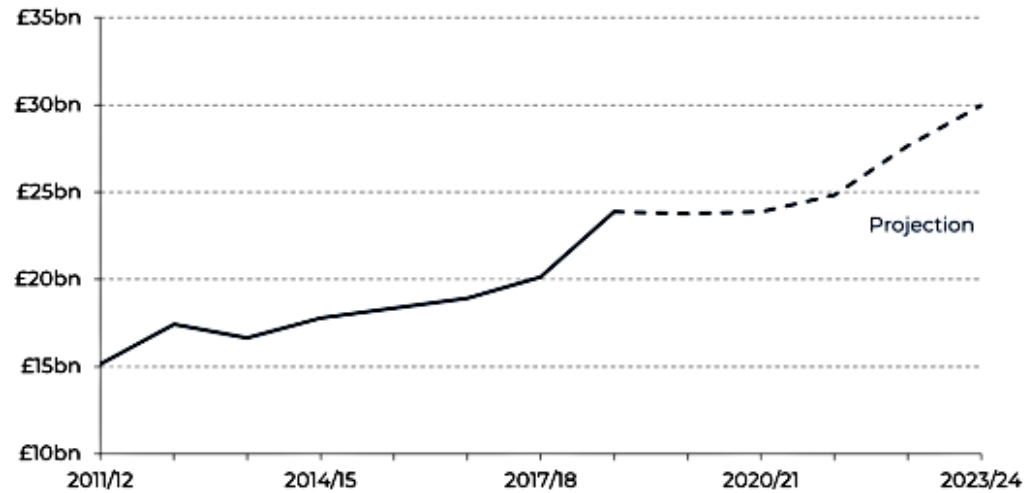
Sector reliance on regular volunteers

Average volunteer commits 6 hours per month



People

Figure 2. Total staffing costs in billions if costs kept up with inflation



Source: NCVO Almanac



People

4.3 million regular volunteers

Collectively 312 million hours of work

£3bn wage cost at NLW rates

> 50% organisations hard to hold on to volunteers

25% organisations losing pandemic volunteers



16.3M PEOPLE VOLUNTEERED THROUGH A GROUP, CLUB OR ORGANISATION IN 2020/21

Over half of the population volunteered their time informally at least once during the pandemic, while formal volunteering rates have remained steady

UK Civil Society Almanac 2022



Source: Civil Society



People

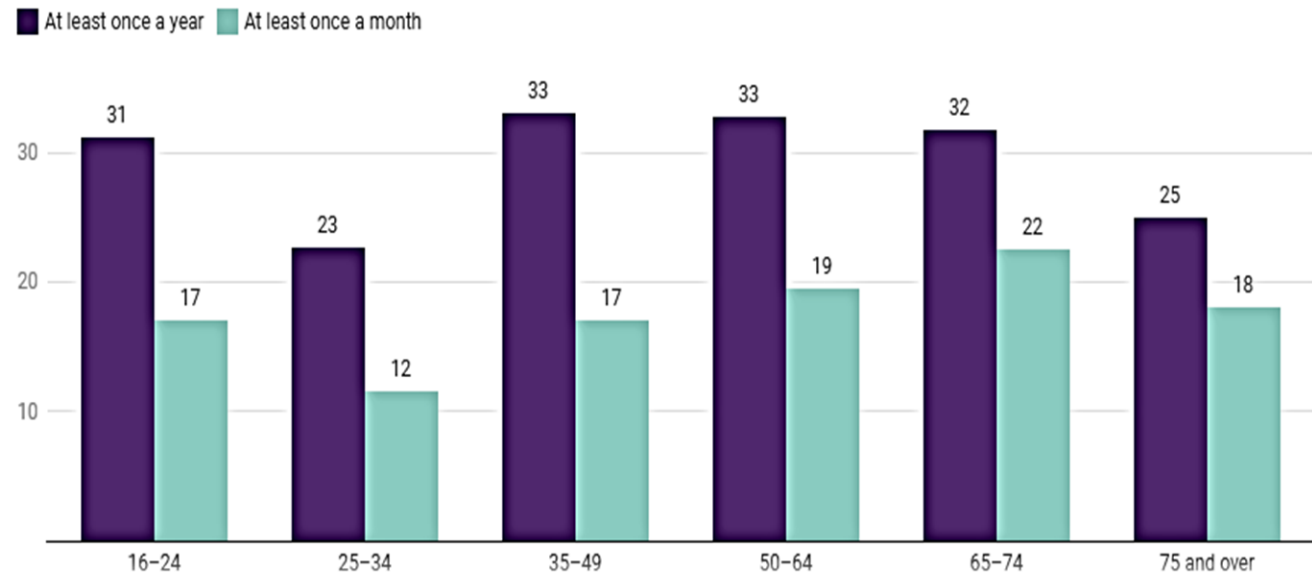
Older people, women and those from less deprived socioeconomic backgrounds are more likely to volunteer

People aged 65-74 are twice as likely to volunteer as those aged 25-34

Paid work is a barrier to volunteering

Participation in volunteering by age group

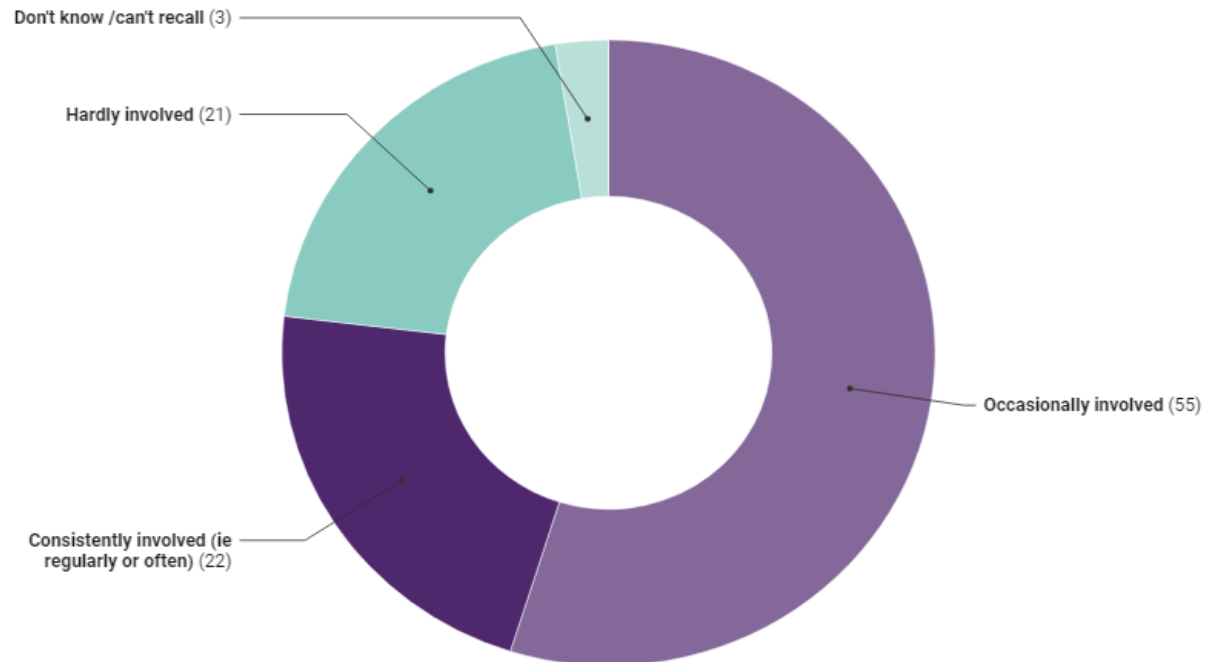
Levels of participation in formal volunteering by age group, 2020/21 (%)



People

Most people have formally volunteered at some point in their lives, dipping in and out of involvement over time

Consistency of involvement of those who have ever volunteered over lifetime, 2018 (%)



Source: Time Well Spent - [Get the data](#) - Created with [Datawrapper](#)

81% volunteers in their **local area**

More mutual aid groups in more affluent areas

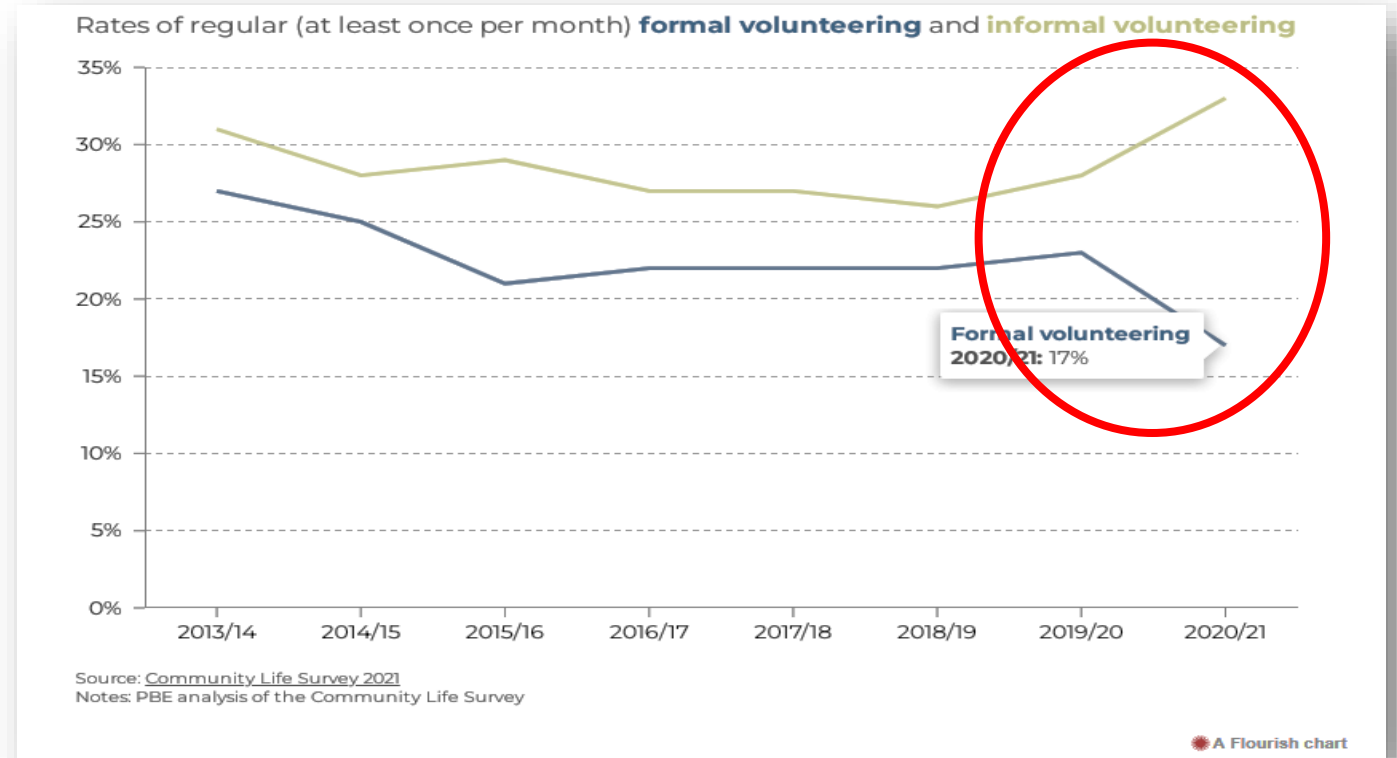
People from the most deprived socioeconomic areas are half as likely to volunteer



People

The pandemic caused a significant change in volunteering behaviour

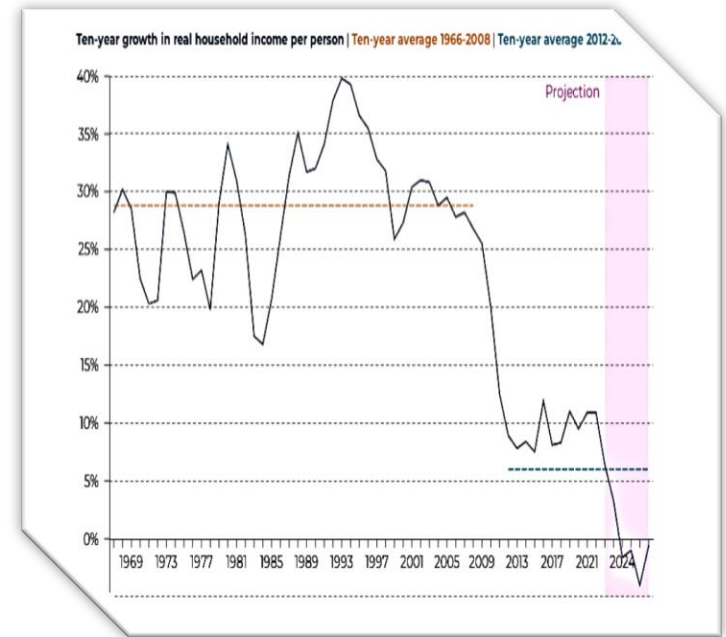
Rates of formal volunteering decreased significantly



People

- Volunteer recruitment may not be a reliable way to meet rising demand in a recession ?
- After 2008 formal volunteering declined by 6%
- Already seen decline in formal volunteering after the pandemic
- Will there also be a social recession?

Trends in household income



People

Civil Society Report

Effect of global and national events on confidence

Mental health affecting engagement in volunteering

Particular impact on young people

Triple burden of work, family life and mental health

20% of regular volunteers experienced burnout

Feeling of guilt when unable to volunteer



People

Support structures for volunteers?

Mentoring?

Volunteering Policy

Code of Conduct

Two way communication

- Closer engagement
- Involvement in strategic decision making



People

Broaden view of what volunteering can look like

Wide range of volunteer models?

Charities need to be flexible and creative

Shift to more informal volunteering

Short and long term volunteering opportunities?

Do you engage with volunteers digitally?

VOLUNTEER



Young People

Volunteering opportunities for young people?

Accessible and varied?

Collaboration with schools, and LAs

[St John's Ambulance youth opportunities](#)

Potential to transform lives

Considerations include: DBS checks, safeguarding

<https://www.ncvo.org.uk/engaging-and-supporting-young-people-to-volunteer/>



People

INVOLVING VOLUNTEERS
Practical and step by step guidance to help you manage volunteers and the process of volunteering well

Employment and volunteering

- Understanding volunteering**
 - What is volunteering?
 - Why involve volunteers
 - Writing a volunteer strategy
 - Equity, diversity and inclusion in volunteering
- Planning for volunteers**
 - Writing volunteer role descriptions
 - Paying volunteer expenses
 - Coordinating volunteers
 - Safeguarding and volunteers
 - Writing a volunteer policy
 - Getting volunteer insurance
 - Choosing and implementing a volunteer management system
- Recruiting and welcoming volunteers**
 - Recruiting volunteers
 - Volunteers who claim benefits
 - Volunteers from overseas
 - Writing a volunteer agreement
 - Running a volunteer induction

<https://www.ncvo.org.uk/help-and-guidance/involving-volunteers/>

People

NCVO Links and resources

- [Guidance on involving volunteers](#)
- [Recruiting volunteers, including where to find them and the recruitment process](#)
- [Planning for volunteers, including your legal responsibilities](#)
- Attend our [online training on volunteer management](#)

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Environmental, Social and Governance (ESG)

Three main pillars of ESG

- **Environmental**
 - how an organisation interacts with and impacts its surrounding environment
 - Carbon reporting
 - **Social**
 - how it interacts with society
 - Public benefit
 - Gender pay gap
 - **Governance**
 - How it manages governance
 - Charity governance code
-
- Report against the 3 pillars to inform stakeholders
 - Increasing area of focus and best practice



Why is it so important for charities?

- Charity is an institution for charitable purposes subject to High Court's jurisdiction
- Charitable purposes defined in Charities Act 2011 – for public benefit
- There are two aspects of public benefit:
 - **Public** (general public or a sufficient section of public)
 - **Benefit** (purpose is beneficial and no detriment/harm outweighing benefit).
 - E.g. climate change as failing to act threatens planet (detriment and harm)

Charity Governance Code and Charity SORP

- **From Charity Governance Code**

1.5.3 The board recognises its broader responsibilities towards communities, stakeholders, wider society and the environment, and acts on them in a manner consistent with the charity's purposes, values and available resources.

- **From Charities SORP (FRS102)**

1.4.2 The report should provide a balanced picture of a charity's progress against its objectives. For example, it may explain progress by reference to the indicators, milestones and benchmarks the charity uses to assess the achievement of objectives.

- ESG is on the agenda for the current SORP review

Sustainable Development Goals



How to start your ESG journey

- A call to action
- Consider what stage you are currently at
 - sustainability of your organisation – not just environmental perspective.
 - May be further ahead than you think
 - Existing activities
- Do you have employees interested in sustainability?
- Establish a working group
- Long term aspirations
- Short term – meaningful actions
- Gain Trustee support/endorsement



Benefits of engaging with ESG

- Demonstrating value and responsibility to funders
- Contributing to requirements of bid proposals
- Helps to attract talent and staff retention
- Partnership opportunities with corporates who want to engage with sustainable charities
- Driving improvements and operational efficiencies
- Building an understanding of stakeholder needs



ESG Reporting

- Share your progress/plans in the TAR
- Hold data to the same standard as financial information
 - Comparable year on year
 - Clear on data sources/ assumptions
- Examples
 - [WaterAid](#)
 - [The Soil Association](#)
 - [The Children's Trust](#)
- Long term sustainability of organisation





Becky Aldridge
Chief Executive



AC Mole Charity Seminar November 2022

**Becky Aldridge
Chief Executive**

About the Forum ...

- Independent charity, started in 1992.
- Asylums closed having a voice.
- "User led" Lived Experience infrastructure.
- Our story has evolved alongside attitudes and understanding around mental health.
- 30 years old this year.
- Collective voice.
- Workforce of 80 people and growing

“The greater danger for most of us is not in setting our aim too high and falling short, but in setting our aim too low and achieving our mark.”



Michelangelo (1475-1564)

Our Vision, Mission, Values

Our Vision: A world that understands mental health: where individuals and communities can enjoy good mental health, shared humanity and appropriate support when they experience emotional distress and trauma.

Our Mission: To increase understanding of mental health, support people's Recovery and build capacity within communities.

Our Values underpin everything we do

Honesty; Courage; Compassion; Respect; Integrity

Defining Recovery

"Probably the most useful way of understanding recovery is linking it to our own experience because it is something that is common to all of us; it is not specific to mental health problems.

Any of us, who have been through a divorce, being made unemployed, a major illness or bereavement, know that that changes us; there is no way to going back to how we were before that event.

We have to incorporate that into our way of living and we learn from that and move on with that, which is exactly what we are talking about in terms of recovery from mental health problems.....

Defining Recovery

..... Recovery is about taking back control over your own life and your own problems, about not seeing your problems as being uncontrollable, or that their control is just the province of experts. It is about understanding yourself what is possible and what you can do to help yourself."

By Dr Repper from ***An independent investigation into the care and treatment of Daniel Gonzales (January 2009)*** p. 124.

Parallel Process of Recovery...

- Individuals
- Teams
- Organisations



Accepting Change and Disruption

VUCA
Volatile
Uncertain
Complex
Ambiguous

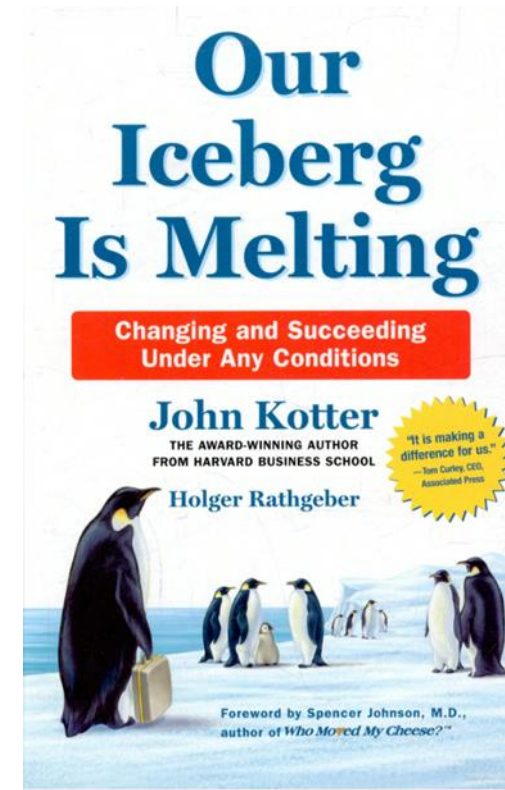


CRISIS
危机
Danger Opportunity

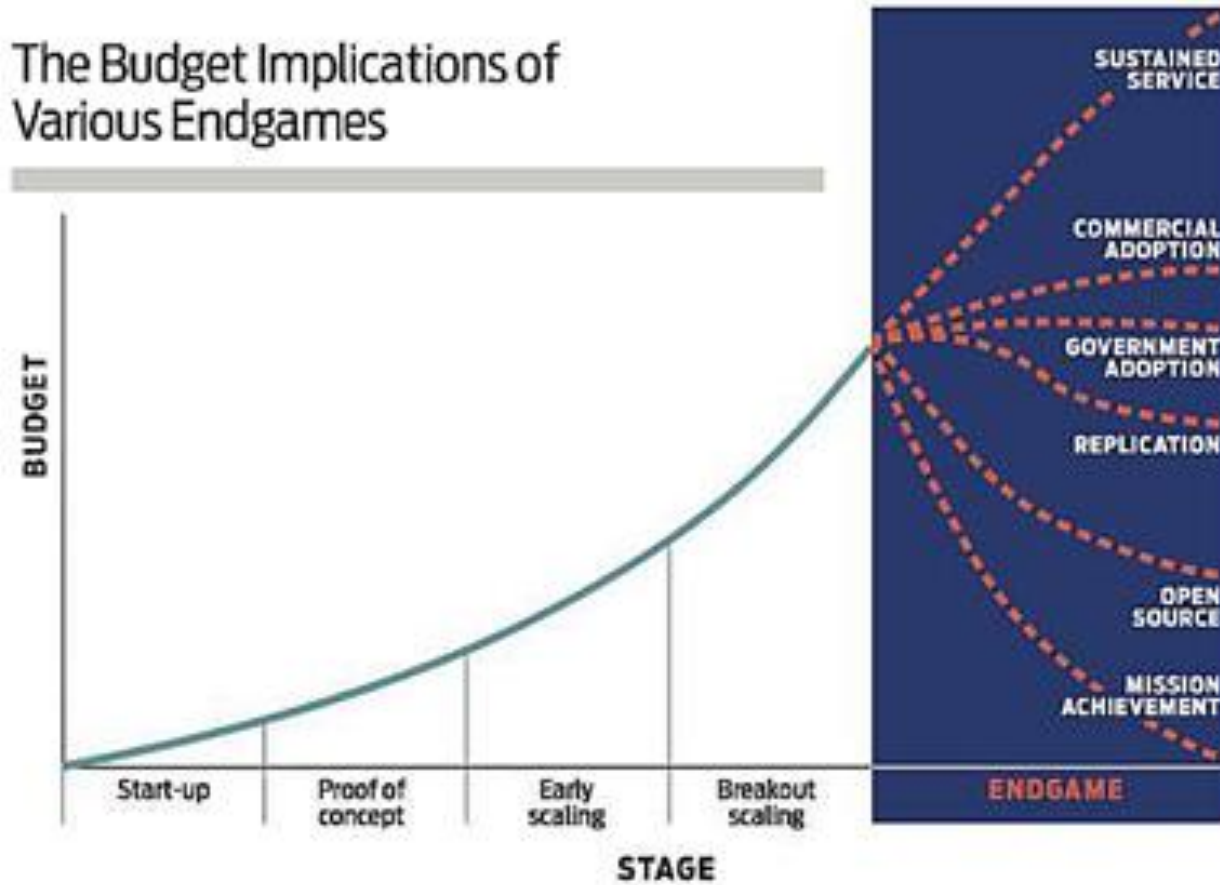


Pandemic, Cost of Living

- Shared experience and humanity.
- Digital transformation.
- Infrastructure developments.
- Development of workforce and Board.
- New ways of working.
- Refreshed and refocused Strategy.
- Some cost savings ... laying in stores



The Budget Implications of Various Endgames



Sourced from Stanford Social Innovation Review
"What's your End Game?" Gugalev and Stern (2017)

**DORSET
MENTAL HEALTH
FORUM**

Promoting wellbeing & recovery

The Next Furrow

- Clarity of purpose and product.
- Full Cost Recovery, consolidation, Strategy.
- Capacity and capability seaworthy.
- VUCA and fast changing environment.
- Position of integrity and influence.
- What change do we need to drive now?
- Lead from beneficiaries and stakeholders.
- Impact based planning and design thinking.

A GUIDE TO

PURPOSE

VALUES

PRINCIPLES

HOW TO ESTABLISH AN
ETHICS FRAMEWORK
FOR SMALL & MEDIUM
BUSINESSES

THE
ETHICS
CENTRE

Thank you!

beckyaldridge@dorsetmentalhealthforum.org.uk



Coffee break



CETSAT
agile technology

Durgan Cooper
Managing Director
CETSAT



CETSAT

PERFORMANCE TECHNOLOGY

Cyber Security and the risk to your business

Durgan Cooper, CEO, CETSAT

CETSAT
PERFORMANCE TECHNOLOGY



SECUREARM
CYBER SECURITY SERVICES


Juberi
SMART BUILDING ARCHITECTS

 **GOOSE AI**



Red Storm Rising



Press the trigger to continue.

Cyber Warfare and Ukraine



Valeri Gerasimov



General of the
Russian Army

Crowd Sourced Hacking



technology executive council

IRANIAN CYBER CAPABILITY

OVERLOOKED CYBER THREAT

CNBC



Why is cyber warfare important to us....?



**ARE UK CHARITIES
CYBER SECURE?**

Trends and stats...

- Charities experienced increased digitisation following the pandemic
- In the charity sector, over two thirds (67%) continue to deliver all work remotely
- 2022 survey - 1 in 8 charities (12%) experienced cyber crime in the last 12 months
- Only 24% of charities have a formal policy in place to manage cyber risk
- Cost of living exploits target charity customers

How Can We Protect Ourselves?

1. Staff Education & Policies

1. Training – risks, what to look out for
2. Password policies, lock outs, data security, file access etc.

2. Backup Data

1. Onsite Backups
2. Offsite Backups
3. Disaster Recovery Plans
4. Business Continuity Plans

3. Security Products

1. Anti-Virus
2. Firewalls
3. Encryption
4. 2FA (Multi-Factor)
5. Turn off services you don't need

Cyber Essentials

NCSC identified five basic controls which will mitigate 80% of the most common cyber attacks... these form the basis of **Cyber Essentials**



Making it all more real....

A typical day....



A typical day....



A typical day....



Personal security advice

- **Concentrate on your computer actions – review URL's**
- **Use unique passwords and a password manager**
- **Backup your passwords regularly**
- **Backup your MFA accounts**
- **Use email security**
- **Use browser security**

CETSAT

PERFORMANCE TECHNOLOGY

cetsat.com

0800 195 38 38



Technical Update and Hot Topics

Charities Act 2022

- Simplify areas of regulation
- Provide flexibility to manage charity more effectively
- Implementation is in 3 stages
 - Autumn 2022
 - Spring 2023
 - Autumn of 2023



Charities Act 2022

Charities Act 2022 – Autumn 2022

- Payments to trustees
 - Beyond usual duties
 - Statutory powers extended to cover goods
 - Governing document
 - [Charity commission guidance on payments](#)
 - Justification
 - Conflict of interest
 - Record decision

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Charities Act 2022 – Autumn 2022

- Ex gratia payments

- POSTPONED

- waive their right to receive funds
 - Moral obligation
 - E.g. legacy
- Small amounts without Charity Commission application
- Impact on National Museums
 - House of Lords to fully understand implications
 - Restitution of items on moral grounds
 - not intended or debated

Limits:

- Based on gross income
 - £1,000 – £20,000



Charities Act 2022 – Autumn 2022

- Fundraising appeals

- ↑ Too Much

- ↓ Too Little

- × Circumstances change

- Flexibility to reapply?
 - Wording of appeal – secondary purpose?
 - Offer to return donations
 - Unreasonable expense
 - Unidentified donors

[CC guidance](#)



Small Amounts:

- <£120 (one donor)
- Total <£1,000 – trustee resolution no CC approval
- Total >£1,000 – CC approve resolution

Charities Act 2022 – Spring 2023

- **Permanent endowments**

- Most legal restrictions to remain
- Power to borrow
- Restrictions:
 - 25% of the value of the fund
 - arrangements in place to repay the capital within 20 years
 - capital appreciation based on a relevant index (e.g. RPI or CPI)

- **Charity land**

- wider choice of professional advisors
- external advice from a qualified professional may no longer be mandatory
- suitably qualified trustee or employee

- **Charity names**

- Extended powers to direct a charity to change its working name



Charities Act 2022 – Autumn of 2023

- Charity constitutions
 - *Change of purposes*
 - the original purposes of the charity
 - the desirability of the proposed changed purposes to be similar to the original ones
 - the need for the purposes to be suitable and effective in the light of current social and economic circumstances.
- Incorporations or mergers
 - Easier to transfer charity assets via a vesting declaration, possible to remove the need to keep a “shell charity” open to catch any legacies after the event.
- Statutory accounts – continue to refer to 2011 Act

Annual Return Consultation

- Key step in the Commissions plans to be a more data driven regulator
- First major review since 2018
- important data collection tool – trends
- identify risks in the charity sector

“The annual return is a crucial tool that helps charities account for their work to us as regulator, and to the public and funders. It’s important we get the questions right, but also that we keep the burden on charities completing the return proportionate. So I encourage charities to look at the proposed changes and have their say as part of our consultation.”

- 460 responses
- 170k UK registered charities
(<0.5%)

Helen Stephenson, Chief Executive Charity Commission



Annual Return Consultation

- Currently 4 Parts
- Proposed changes:
 - A greater number of questions
 - Simplification/clarification of questions
 - Creation of an interactive glossary
 - Ability to change questions
 - Response from pandemic
 - Major external change
 - ICAEW & DSC have questioned

	Current	Proposed
Maximum Questions	36	52
Core Questions	16	32
Sub Questions	20	20



Annual Return Consultation

- Reliance on income sources
 - e.g. is 70% or more of their funding relies on one income stream,
 - does 25% or more of their income comes from certain types of income source
- Trustee payments
- Roles and responsibilities,
 - governance, controls and different organisational structures in charities, - correlate with risk.
- Overseas partners
- Geographical areas in which charities operate
 - help policy makers and grant-givers identify geographic areas which are comparatively under-served by charitable work. This will allow funders to make decisions that help 'level-up' such 'charity deserts'.
- Website hosting
- Trading Subsidiaries
 - Were any dissolved? Shared trustees/directors?
- Staffing numbers and payroll costs in the sector
 - allowing the public to consider charities' use of resources and capability to deliver certain types of activity.

Annual Return Consultation

	Current Time
£0k to £10k - Charities/ Unincorporated	0.5hrs
£0k to £10k - CIOs	4hrs
£10k to £25k	4hrs
£25k to £250k	7.5hrs
Over £250k to £10m	30hrs – plus SLT sign off ½ day

Additional anticipated time
• 10%-50%

Launching New Form 2023

VAT – Business/Non business

- Business Activities based on UK VAT law, VAT tribunal/High Court decisions.
 - Activity performed for the benefit of the community/ furtherance of charitable aims and objectives,
 - can be deemed a business activity for VAT
- June 2022 – HMRC issued a brief with a change in policy for determining business activity
- Covers all organisations – grant funding/subsidies/non business activities



VAT – Business/Non business

1. Is the activity a “serious undertaking earnestly pursued”?
2. Is the activity an occupation or function actively pursued with reasonable or recognisable continuity?
3. Does the activity have a certain measure of substance as measured by the quarterly or annual value of taxable supplies made?
4. Is the activity conducted in a regular manner and on sound and recognised business principles?
5. Is the activity predominantly concerned with the making of taxable supplies to consumers for a consideration?
6. Are taxable supplies that are being made of a kind which, subject to differences of detail, are commonly made by those who seek to profit from them?

VAT – Business/Non business

- Court of appeal ruled – predominant concern is irrelevant.
- Focusing on a direct link between services and payments, rather than the wider context of the organisation's charitable objectives/motive.
- HMRC will no longer apply the business test.
 - New two stage test
- Overall objectives can no longer trump a “business” motive behind a specific activity

VAT – Business/Non business

- Each activity should be considered separately
- Stage 1: Does the activity result in a supply of goods or services for consideration?
 - requires legal relationship between the supplier and the recipient.
- Stage 2: The supply is made for the purpose of obtaining income therefrom (remuneration)
 - is there a direct/sufficient link between supplies made and payments
 - must be carried out for the purpose of obtaining income (remuneration) even if the charge is below cost.

VAT – Business/Non business

- Fisher test to be used as a set of tools
- Indicators can no longer override stage 1 of the test (“the direct link” requirement),
- Not relevant whether the supplier is a charity.
- HMRC have specific guidance for charities in relation to a wide range of income sources to assist in identifying where income is business or non-business.
 - <https://www.gov.uk/guidance/how-vat-affects-charities-notice-7011#sect4>
 - <https://www.gov.uk/hmrc-internal-manuals/vat-supply-and-consideration/vatsc06317>
 - <https://www.gov.uk/hmrc-internal-manuals/vat-business-non-business/vbnb30200>
- Brief does not bind HMRC

My Charity Commission Account

- New online service
- Trustees/Charity Contact/Professional Advisors
- Aims to build more supportive and meaningful relationships with individual trustees
- Services:
 - updating charity details
 - submitting annual returns
 - making changes
 - to governing document
 - charity name
 - year end
- Tailored support and information



My Charity Commission Account

- Phase 1 – planned November 2022 – March 2023
 - Prepare charity main contacts so that their accounts are set up and ready to access the enhanced services when fully launched
 - a small number of contacts will be invited them to trial the new system. Remaining contacts will be emailed in a phased approach
- Phase 2 – Spring 2023 Onwards
 - The “My Charity Commission Accounts” will go live.
 - Contact to enable trustees and authorised third parties to set up accounts (further guidance on this is due to be issued)
 - Access to the new service will become available

My Charity Commission Account

Administrator (Main Contacts)	Trustee	Third Party (employee/prof advisor)
Full access to all online services	Access to all online services	Access to sections of online services
Amend personal info for other users (not trustees)	Maintain own personal details	Maintain own details
View and edit trustee information	Can be granted additional rights	Can be granted additional rights
Enable other users	All charities viewed in one place	All charities viewed in one place
Grant rights to users		

The Code of Fundraising Practice

- Standards that apply when fundraising is carried out in the UK
- Review 2022–2024
- All stakeholders
- Phase one: Information gathering (2022–23)
 - Call for information closed 25 November
- Phase two: Public consultation (2023)
 - autumn 2023, a 12-week public consultation to gather feedback on any proposals for change.
- Phase three: Implementation of new code (2024)





Q&A Opportunity



Lunch & Close