

**CHARITIES**



May 2015

Welcome to Focus On... our special quarterly bulletin looking at issues relevant to particular sectors and topics of interest.

In May's Focus On... Charities, we find out about changes to the annual return for 2015 and HMRC's new Charities Digital Service. We also learn why the CEO of ACEVO is urging the PM to 'unmuzzle and unleash' the third sector and cover gift aid rises as well as finding out about Britain's first £1bn charity. Finally, we conclude with the profile of Graham Pogson, part of the Nicholsons charity and audit team.

If you would like to discuss any aspect of our specialist charity audit and accountancy services, please contact Emma Murray, Audit and Compliance Partner at Nicholsons, at [emma.murray@nicholsonsca.co.uk](mailto:emma.murray@nicholsonsca.co.uk) or phone **0845 27 66 555**.

## HMRC launches Charities Digital Service



Charities can now register their details online with HM Revenue & Customs (HMRC) as the digital service allows new charities to log their information for tax purposes. It has in-built checks and guidance to help organisations provide the right information and supporting documentation so HMRC can confirm their tax status.

HMRC's Chief Digital and Information Officer, Mark Dearnley, said: "We are completely changing the way we work with our customers – including charities. Our new digital services are straightforward, easy to use and convenient. The charities service minimises the risk of

making mistakes so applications are less likely to be returned to the organisation."

The new digital service will replace the existing print and post forms currently available on the HMRC pages on GOV.UK. HMRC will not reject any outstanding print and post forms unless they are incomplete.

At Nicholsons, our specialist Charities Team works extensively with clients in the not-for-profit sector, providing a comprehensive range of services. The dedicated team can assist you with the digital service and any other areas of compliance. For more information, please contact us.

## Sir Stephen Bubb urges PM to 'unmuzzle and unleash' third sector

Commenting on the 2015 UK General Election result, CEO of ACEVO (Association of Chief Executives of Voluntary Organisations) Sir Stephen Bubb said: "I congratulate the Prime Minister on his re-election. He now has a solid mandate to deliver the real change our society needs.

"While these are the earliest of days, I am especially pleased by his pledge to build One Nation. This must not be only about Scottish devolution but also about bridging the gulf between the haves and have-nots, accelerating the public service reform agenda to give the poorest in our society

real choice and care and supporting our world-leading third sector. One Nation means working with charities, campaign groups and social enterprises that bring people together, listening to them and supporting their leaders to make change happen. They must be unmuzzled and unleashed for the good of our country.

"It is striking that David Cameron was the only party leader to talk about third sector volunteering during the election campaign. His support for charities and social enterprise – a sector that employs over two million people – will have been noted by communities all over the country.

"Mr Cameron has a mandate to deliver and we expect great things. I look forward to recommencing our warm working relationship – and to working with new members across all parties, including Labour and the SNP, over the next five years."

Nicholsons understands that no two charities are the same, so every aspect of the services it offers is carefully tailored to the client's particular circumstances and strategic objectives. For more information about how Nicholsons can provide expert advice for charities, please contact us.

# Be part of Small Charity Week

Small Charity Week – organised by the Foundation for Social Improvement (FSI) – runs from 15-20 June 2015 and both celebrates and raises awareness of the essential work of the UK's small charity sector. Visit: [www.smallcharityweek.com](http://www.smallcharityweek.com) to see how you can get involved.

## Britain's first £1bn charity

The Lloyd's Register Foundation, set up three years ago, has been named by the Charity Commission as the nation's biggest charity.

The foundation has annual income and expenditure of just over £1bn and is the first UK charity to break the threshold. According to its latest annual accounts, it spent £18m on "charitable activities".

After Lloyds Register comes the British Council

(income £864m) which promotes the UK overseas, and the Arts Council of England (£695m) which champions arts and culture. At fourth place in the list is Cancer Research UK (£665m) whilst Save the Children comes in sixth and Oxfam at tenth.

The official list, and Lloyd's Register's placing at the head of it, will re-ignite debate about what should be considered a charity and thereby merit entitlement to the tax and other benefits that registration brings.

At Nicholson's, we know that organisations operating in the third sector have very specific financial objectives, circumstances, priorities and requirements. Our specialist Charities Team works extensively with clients of all sizes in the not-for-profit sector, providing a comprehensive range of services including accounts, compliance audits and advice on specific tax, VAT, marketing and employee relations issues. To find out more, please contact us.

## Changes to the annual return for 2015

The annual return for 2015 is now available to complete on GOV.UK. It follows a consultation held last year on proposals for the information collected through the annual return.

The annual return now contains three new questions:

- In the reporting period, how much income did you receive from:
  - Contracts from central or local government to deliver services?
  - Grants from central or local government?
- Does your charity have a policy on paying its staff?

- Has your charity reviewed its financial controls during the reporting period?

Nicholson's charities team can work with you and provide expert, objective advice and assist you with annual returns. To find out more, please contact us.

## 12 per cent rise in gift aid

Gift aid payments to charities rose by 12 per cent after three years of little change, according to figures published by HM Revenue & Customs (HMRC) which show that gift aid and other repayments for individuals rose from £1.07bn to £1.2bn. The total value of tax reliefs rose by £360m to £4.95bn.

Figures for gift aid were slightly higher than expected when HMRC published provisional figures in December, which predicted the value of gift aid would be £1.19bn. Gift aid has not been valued at more than £1.1bn since the year ending March 2011.

Gift aid figures can be used as an indicator of

overall giving, although charities do have four years to claim the relief. In recent years, gift aid has been affected by the removal of transitional relief, which compensated charities for a reduction in the basic rate of income tax and was worth an extra 10 per cent on the value of gift aid.

Gift aid has been reduced in value after the end of a transitional relief, which was intended to compensate for a drop in the base rate of income tax. However, the amount HMRC expects to raise from the Gift Aid Small Donations Scheme has been revised down. In December it said it expected to raise £23m from the scheme but amended this to £21m.



## Employee focus – Graham Pogson, Senior Accountant



**Graham Pogson**  
Senior Accountant

A senior auditor with the firm and a qualified member of AAT, Graham has worked in the financial arena for nearly 20 years and has been a key member of the audit team at Nicholson's for over 15 years. He has extensive experience in managing a portfolio of charity audit clients and keeps a keen eye on deadlines. Graham is known for his attention to

detail, which coupled with a questioning, analytical mind, makes him an integral and crucial member of the audit and compliance team.

When he's not at work, he enjoys walking his dog in the countryside, taking holidays with his wife and playing football.

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