

# Small Charity Support

Supporting & Facilitating Small Charities & Community Groups

Registered Charitable Incorporated Organisation, No: 1161963

## Trustees' Annual Report & Statement of Financial Activity for the Year Ended 30 June 2020

### Trustees

Daniela Amasanti De Bono

Herakles Koumoullou

Brian Seaton

Pauline Seaton

William Taylor



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## Trustees' Annual Report & Statement of Financial Activity for the Year Ended 30 June 2020

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# Trustees Annual Report & Statement of Financial Activity

## for the Year Ended 30 June 2020

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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

### 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; Pauline Seaton; William Taylor

Patrick Forsyth *Resigned 10 February 2020*

Herakles Koumoullou *Appointed 23 March 2020*

### 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

### 3.2.1. "One Size Fits All"

The constantly recurring issue which shapes the activities of Small Charity Support is that of "what, exactly, is a 'small' charity?".

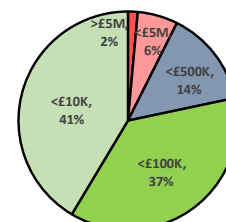
Because larger charities – by virtue of their size, public advertising, fund-raising campaigns, and (occasionally) misdemeanours – more readily attract public attention there is a natural perception that most charities are run by a team of paid administrators / fundraisers who do all the day-to-day work 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 support 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).

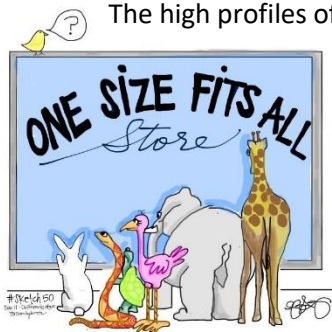
And the Charity Commission data do not include the large number of small unregistered charities with incomes less than £5000/yr which are almost exclusively trustee led and run.

| Ann. Income | Number | %     |
|-------------|--------|-------|
| >£5M        | 2,263  | 1.4%  |
| <£5M        | 9,355  | 5.9%  |
| <£500K      | 22,484 | 14.3% |
| <£100K      | 58,054 | 36.9% |
| <£10K       | 65,176 | 41.4% |



<sup>1</sup> Data for September 2018 (the most recent available at the time of writing this report – October 2020).

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



The high profiles of the 20% minority of charities at the top end of the scale (in terms of income) results in a Pareto<sup>2</sup>-like bias in the content and focus of both guidance and training materials towards the issues and needs of larger charities and their paid employees.

This has created a “One Size Fits All” approach. Consequently the content and focus of such guidance and training materials are, at best, “inappropriate” for the staff/volunteers/trustees (who are often without the qualifications anticipated by the guidance) in the 80% majority of charities at the low end of the income scale

By way of concessions to the 80% of small charities, there are usually some exemptions – things that small charities are “let off” of having to do (eg: the option to adopt the “Receipts & Payments” method rather than the more onerous “Accruals” method). But that DOES NOT mean that they do not have to keep accounts “of an adequate standard.

### 3.2.2. “Simple is Beautiful”

Inspired by E.Schumacher’s 1960s iconic book, “*Small is Beautiful: Economics as if People Mattered*”, and Kate Raworth’s more recent “*Doughnut Economics: Seven Ways to Think Like a 21<sup>st</sup> Century Economist*”, Small Charity Support’s “*Simple is Beautiful*” approach shuns the notion that “the bigger, wealthier and more complicated you are the better you are”. Instead the approach of Small Charity Support is to dispense with obfuscationary professional jargon and “financial sorcery” in favour of simple, pragmatic language and practices which are both appropriate to the needs of small charities and which their “ordinary, non-professional” staff/volunteers/trustees can understand and implement comfortably.

Since its creation Small Charity Support has been applying the “*Simple is Beautiful*” philosophy to address and overcome the “One Size Fits All” issue by creating:

- ✓ guidance literature on governance, financial and other issues commonly faced by small charities from the perspectives of trustees and other volunteers who do not have any specific experience in such areas outside of their work in their charity;
- ✓ guidance literature for people looking to set up their own charity, outlining what they have to put in place to run their charity effectively (eg: trustees; charitable purposes; governing document; bank account; policies; etc.) and how to complete the Charity Commission’s on-line form for charity registration;
- ✓ a simple open-source spreadsheet (with comprehensive user instructions) to manage small charity finances (bookkeeping; budget & cash-flow management; management reports to trustees and others; preparation of the annual accounts) in a way that is straight-forward, intuitive, and requires the minimum of technical expertise to manage effectively on a day-to-day basis;

All the guidance leaflets (of which there are now more than 40) and spreadsheets avoid as far as is possible the inclusion of legal, financial or management jargon and any material which is unnecessarily complicated, particularly when it is only applicable to large charities or is otherwise irrelevant to small charities.

Both the guidance literature and the spreadsheets are all freely available to download from the charity’s website, [www.smallcharitysupport.uk](http://www.smallcharitysupport.uk), and are described in more detail later.

Although all are formally protected by the internationally recognised Creative Commons copyright and intellectual property rights licenses to inhibit plagiarism by others for commercial benefit, they are all royalty-free for use by charities and other not-for-profit voluntary/community groups.

In addition, where appropriate, Small Charity Support engages directly (by telephone, e-mail, Skype Zoom, or personal visits) with trustees and other persons connected with small charities to assist them to address and overcome their governance, financial and other issues.

These consultancy services are also provided free of charge (though incidental out-of-pocket expenses may be claimed by prior agreement).

<sup>2</sup> The **Pareto principle** (also known as the **80/20 rule**) states that, for many events, roughly 80% of the effects come from 20% of the causes. [https://en.wikipedia.org/wiki/Pareto\\_principle](https://en.wikipedia.org/wiki/Pareto_principle)

### 3.2.3. Financial Reporting

A recurring problem being brought to Small Charity Support for assistance come from charities where their "accounts" (ie: the management and reporting of the charity's finances) have "got into a bit of a muddle". More often than Small Charity Support would like, this has occurred where a charity's trustees have gone to a professional accountant for help and advice with their accounts (as advised by the Charity Commission) only to find that the professional accountant is the cause of the "muddle" not the solution.

Nor, apparently, are these issues unique to Small Charity Support.

In its latest (August 2019<sup>3</sup>) *Accounts monitoring review: Auditors' and independent examiners' compliance with their responsibilities*, the Charity Commission reports that, of a sample of 100 small charities (incomes £25,000- £250,000) more than half (56%) of the accounts failed to meet its benchmark standard. And that was so, even though most of the accounts had been independently examined (and, in some case, also prepared) by professional accountants.

During the current reporting period the Principal Trustee was asked to assist with two sets of accounts which, in his opinion, were sufficiently bad to warrant a formal complaint to the accountant's professional body. In both cases, when challenged directly, the accountant concerned agreed that the accounts they had prepared and approved were "inaccurate" and needed to be substantially revised.

In one case it was decided not to make a formal complaint to the accountant's professional body, but the accountant did agree to return 90% of the professional fee they had charged.

In the other more serious case a formal complaint was submitted to the accountant's professional body, the Institute of Chartered Accountants in Scotland (ICAS). The ICAS Complaints Helpsheet asserts that

*"... ICAS is committed to maintaining public confidence in the accountancy profession by promoting the highest professional and ethical standards .... "* and

*"... While we aim to complete our investigations as quickly as possible, it is important that the issues you have raised are given careful consideration. .... The Case Officer will aim to make an assessment of your complaint within 16 weeks. If your complaint is referred to the Investigations Committee, the investigation may take a further six months (or longer if the issues are particularly complex or if there are difficulties with cooperation)."*

It took the Case Officer not 16 but 26 weeks to "make an assessment" of what was essentially some very basic and obvious errors in the simple accounts of a small charity (turnover less than £100,000). And that initial step was only reached after several enquiries asking why the complaint was taking so long to process. At the time of this report, already 11 months after the initial submission of the complaint, there has been no word from ICAS on the progress and resolution of the complaint – neither a request for more evidence to substantiate the complaint nor a dismissal of the complaint on the grounds that it was unjustified or "de minimis".

#### **"Justice delayed is justice denied".**

If this particular example is typical of the profession's "commitment to maintaining public confidence in the accountancy profession" it is hardly surprising that more than half of small charity accounts fail to be the Charity Commission's benchmark standards, even when prepared by professionals.

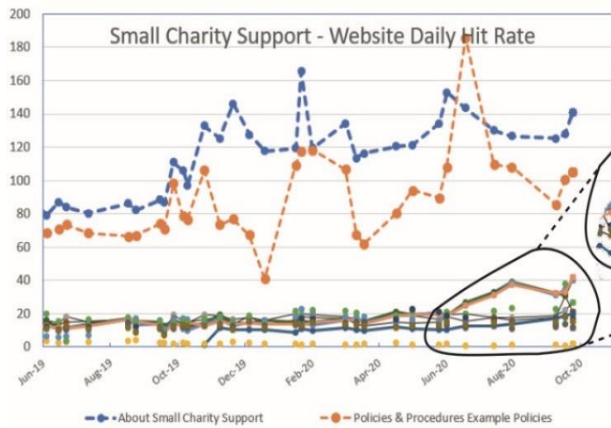
And given the clear procrastination and prevarication in this particular example one can be thinking that it is, in fact, an example of professional bodies preferring to protect and exonerate their members rather than to "maintain public confidence in the accountancy profession".

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<sup>3</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/827790/Accounts\\_monitoring\\_review\\_auditors\\_and\\_independent\\_examiners\\_compliance\\_with\\_their\\_responsibilities\\_PDF\\_\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/827790/Accounts_monitoring_review_auditors_and_independent_examiners_compliance_with_their_responsibilities_PDF__2_.pdf)

### 3.3. Website

#### 3.3.1. Visitors to the Website



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

The main home page currently receives 120-140 hits per day (a 50% increase on last year).

The next most-visited page is the one with example policies and procedures, which now receives 80-100 hits per day – a more modest increase on last year.

Most other pages receive 10-20 hits per day. The average of about 11 hits per day in May'19 having risen to about 15 hits per day in June'20. However, it has been interesting to note that at the start of the Coronavirus crisis the daily hit-rate on the page with the Quiz Scoreboard increased significantly, from around 13/day to over 21/day, presumably as organisations were looking to quiz events as a convenient on-line activity during lockdown.

Also noticeable is the rise (more than doubling since June) of hits on webpages dealing with more philosophical issues such as “What is Charity”, the charitable status of Public Schools and “The Good Sam” - a “Charity Thought” on the relationship between the benevolent and commercial activities of charities.

To avoid problems with personal data and GDPR, Small Charity Support does not collect, analyse or use any form of personal data from the website.

#### 3.3.2. EU General Data Protection Regulation (GDPR)

Small Charity Support has implemented what it believes to be appropriate and proportionate Policies, Procedures and Privacy Notices commensurate with: (a) the small quantity of personal data that it holds; (b) the severity of the impact in the event of any data breaches; and (c) the non-intrusive purposes for which it holds, processes and uses the data.

Small Charity Support collects, holds and processes only those limited data items (typically name, e-mail address, telephone number) provided by its beneficiaries which are required for the effective provision of the support requested by its beneficiaries. Small Charity Support does not use such personal data for any other purpose – specifically it does not hold personal data for any form of marketing, promotion or sharing with other organisations.

#### 3.3.3. Quiz Night Score Board

Some time ago the Principal 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.

There was a noticeable rise in the number of hits on the Quiz Scoreboard page of the Small Charity Support website during the Coronavirus crisis.

| Charity Name - Quiz Evening |           |           |           |           |           |           |           |           |           |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Round                       | A         | B         | C         | D         | E         | F         | G         | H         | I         |
| 1: General Knowledge        | 5         | 6         | 6         | 8         | 7         | 5         | 7         | 8         |           |
| 2: Music                    | 7         | 5         | 4         | 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        |           |           |           |           |           |           |           |           |           |
| <b>Total Score</b>          | <b>18</b> | <b>18</b> | <b>29</b> | <b>16</b> | <b>23</b> | <b>21</b> | <b>20</b> | <b>27</b> | <b>25</b> |



## 3.4. Guidance Literature

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 – more than 40 documents – cover a range of aspects of running a small charity:

- ✓ The roles & responsibilities of Trustees, particularly the Chair & Treasurer;
- ✓ General management issues, including programme/project planning & monitoring;
- ✓ Policies & Procedures;
- ✓ Financial management, accounts & financial reporting;
- ✓ Starting and registering a small charity.

All the materials are periodically reviewed and revised/updated as appropriate.

### 3.4.1. Charity Governance

This group of leaflets explains in simple terms the things that Trustees need to know and do in order to run their charity effectively on a day-to-day basis. The leaflets cover topics like:

- ✓ The roles and responsibilities of trustees, particularly the Chair & Treasurer;
- ✓ How to run meetings, including how to create agendas, take minutes and, most importantly, ensure that everyone gets an opportunity to have their opinions, suggestions and concerns heard and considered fairly;
- ✓ The differences (and similarities) between programmes and projects, and how to plan and run both efficiently and effectively.

### 3.4.2. Business Planning Guidance & Documentation

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

As a consequence, a simple downloadable spreadsheet for monitoring the progress of programmes and projects has also been included on the website.



### 3.4.3. 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 example policies are provided (in both PDF and word-processor formats) for small charities to download and adapt to their own requirements.

|  |                                  |
|--|----------------------------------|
| Bullying & Harassment                          | Code of Behaviour                |
| Conflicts of Interest                          | Equal Opportunities              |
| Financial Management                           | Large Legacies & Donations       |
| On Becoming a Charity Trustee                  | Reimbursing Expenses & Purchases |
| Safeguarding Children & Young People           | Safeguarding Vulnerable Adults   |
| Safe Recruitment                               | Supervision                      |
| Volunteering (A link to the WCVA model policy) | Whistle-Blowing                  |

Not surprisingly, the Examples Policies page is by far the most frequently visited page on the Small Charity Support website, consistently receiving more than 100 “hits” per day.

### 3.4.4. Starting a Small Charity

The “Starting a Small Charity” guidance leaflets remain readily available and downloadable as PDF files from the Small Charity Support website and continue to be a valuable resource. They regularly receive complimentary comments.

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
- 3: Governing Document
- 4: a: Roles & Responsibilities of Trustees  
b: Typical Roles & Responsibilities of the Chair  
c: Typical Roles & Responsibilities of the Treasurer  
d: Payments to Trustees
- 5: A “Minute Book”
- 6: A Bank Account
- 7: a: A Way of Recording & Managing Your Funds  
b: Preparing the Trustees’ Annual Report and Accounts  
c: *Receipts & Payments vs Accruals Accounting {In preparation}*
- 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}*

## 3.5. Simple Accounts Spreadsheet

### 3.5.1. The Background

All-too-often the requirement to produce a charity’s “Annual Accounts” to submit to the Charity Commission, unfortunately, becomes the “tail which wags the dog”. *ie:* it is the requirement to produce a once-a-year set of “Annual Accounts” to get the requisite “tick in the box” which dictates how the charity will collect and use its financial data throughout the year, rather than vice versa.

It is therefore not surprising that, when the Charity Commission occasionally reviews the Annual Accounts of about 0.07% of small charities with incomes less than £250,000, more than half of those fail to meet the Commission’s benchmark standards. And that includes accounts which have been examined (and, in some cases, prepared) by professional accountants.

Consequently, the day-to-day financial reports required to run the charity in a “business-like” manner – *ie:* Efficiently, Effectively, Economically (plus Ethically and Ecologically) – are all-too-often relegated to be of secondary, incidental importance.

**Small Charity Support’s philosophy is that a charity’s financial recording and reporting system should be focused on enabling non-accountant trustees and other volunteers & staff to produce essential routine operational reports (eg: Budget, Cash Flow), quickly, easily and “in real time”. The charity’s end-of-year Annual Accounts should be just an additional incidental output which does not require any professional accountancy input.**

**The Small Charity Support Simple Accounts Spreadsheet, now used by dozens of small charities, clearly and unequivocally demonstrates that philosophy in practice.**

### 3.5.2. How it Works

- ✓ The spreadsheet was developed using Microsoft Excel<sup>®</sup>, but compatibility with other spreadsheets (in particular, the free & open-source LibreOfficeCalc<sup>®</sup>) has been maintained as far as is practical and effective;
- ✓ Standard formulae are used throughout. The use of more sophisticated formulae, or the use of formulae in an idiosyncratic manner is avoided as far as is possible;
- ✓ The techniques used are at a level higher than “entry-level novice” but are not above the level of a competent spreadsheet user.  
Some may find using the spreadsheet a practical way of developing their own skills;

- ✓ The spreadsheet is open-source – ALL formulae and other programming techniques are fully visible to users who may also find some of the techniques useful in other aspects of their work;
- ✓ The spreadsheet is freely downloadable for the Small Charity Support website in two version:
  - 1: a blank version for charities to set up to meet their own requirements;
  - 2: an example version, set up with “real” data (appropriately anonymised) from other charities using the spreadsheet to illustrate how the spreadsheet functions in practice;
- ✓ But the spreadsheet is copyright and intellectual property-right protected to the maximum extent permitted by law. Use of the spreadsheet, and derivatives of it created by users to meet their own specific needs, are royalty-free for charity and other not-for-profit use. But adapting or using the spreadsheet for commercial or other “for profit” purposes requires the prior written explicit permission of Small Charity Support.

### 3.5.3. The Outcomes

Using real data (appropriately anonymised) from charities successfully using the spreadsheet, the spreadsheet clearly and unequivocally demonstrates:

- ✓ how the use of modern relational database techniques (*ie*: the use of #-tags to categorise and aggregate data) rather than “physical” categorisation (*ie*: the use of journals, columns) makes the use of traditional double-entry bookkeeping obsolete and unnecessarily complicated for non-accountants;
- ✓ how all the data necessary for both the day-to-day monitoring & management of a small charity’s financial transactions AND for the production of its formal external reports (*eg*: annual accounts) can be collected in a simple manner requiring no complex bookkeeping skills;
- ✓ how the charity’s routine month-by-month (or even week-by-week) operational financial management reports (*eg*: budget reports, cash-flow reports, debtor & creditor reports) can be produced “in real time” (*ie*: automatically updated as new transactions are entered) making such reports instantly available on demand;
- ✓ how the charity’s routine financial transactions records can similarly be aggregated and formatted “in real time” into the information typically required for the charity’s Annual Accounts in the structure recommended by the Charity Commission. This means that, subject to the availability of external information (*eg*: bank statements), a charity’s financial statements can be completed and ready for Independent Examination within a matter of days from the end of the charity’s financial reporting period.
- ✓ that the ONE set of simple operational financial data can SIMULTANEOUSLY produce the charity’s Annual Financial Reports in BOTH accruals and Receipts & Payments formats

### 3.5.4. In Practice

The spreadsheet is not intended to be a fully functional “up and running out of the box” package. Rather it is 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.

The spreadsheet is normally 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 spreadsheet is not provided with any warranty or support, though reasonable attempts are made to resolve any user-difficulties, particularly where so-doing enhances the overall functionality and usefulness of the spreadsheet.

The spreadsheet has now been in use for several years by a growing number of charities. Some of those charities are/were charitable companies required by law to produce accruals financial statements. Others are/were producing their account on a Receipts & Payments basis. In both cases, users have been able to complete and submit their annual Statement of Financial Activity successfully in compliance with the relevant Charity Commission guidelines.

Small Charity Support continues to receive requests for permission to use the spreadsheet (all of which have been granted). It is impossible to know how many organisations are using the

spreadsheet without having requested permission or, having requested permission, are still continuing to use it. Since 1 July 2019 there have been 18 new requests from small charities wanting to use the spreadsheet.

Small Charity Support's own Financial Statements for the current financial period have been copied from its own use of the spreadsheet and pasted directly into this Trustees' Annual Report.

### 3.6. 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 Judith Trust, Kehillah North London and the Stanmore Choral Society.

However, Small Charity Support does NOT offer Independent Examination of charity accounts as a "free-standing" service, *ie:* as an on-request service unrelated to any provision of governance & management support, which is the main focus of Small Charity Support's charitable purpose.

Independent Examination are undertaken from time-to-time to ensure that Small Charity Support has practical, pragmatic, hands-on experience in understanding the difficulties and challenges experienced by "ordinary" charity Trustees trying to understand and implement properly the Charity Commission's guidance and requirements for small charity accounts. That practical experience is then used to try to ensure that all Small Charity Support guidance materials are written to help the trustees of small charities overcome those difficulties and challenges.

### 3.7. Impact of the Covid-19 Virus Pandemic

The Covid-19 pandemic has had a major impact on communities and economies world-wide. That impact has been particularly significant in organisations, particularly charities, where the nature of their activities regularly brings them into close contact with other people, particularly the vulnerable, the elderly and those with impaired health.

Most of the charitable activities carried out by Small Charity Support were already normally done remotely, eg: by telephone, e-mail or over the internet. So the impact of the Covid-19 pandemic has been modest – if anything an increase, rather than a decrease, in its activities as more small charities were seeking help in difficult times.

Already having some familiarity with internet video conferencing, Small Charity Support purchased a professional license for the internet conferencing service, Zoom. The license enabled Small Charity Support to be able to hold Trustees' meetings remotely. But the primary purpose of the license was to enable Small Charity Support to help other small charities which were less familiar with internet conferencing by hosting meeting and activities for them until they had gained enough experience and technical expertise to be able to manage meetings from their own resources.

Over the duration of the pandemic, Small Charity Support was able to help a number of other charities in that way. In addition to hosting remote Trustees' meeting, Small Charity Support was able to help charities experiment with running more diverse (and challenging) activities, including a scout group, a church group and a singing group.

*"It's an ill wind that blows nobody any good !"*

In helping other charities to use video-conferencing facilities Small Charity Support has also been able to develop its own experience and expertise in such technology. As a consequence it is now better able to make use of technologies like on-line screen-sharing to be able to provide remotely more complex hand-holding support that would previously have require travelling to hold person-to-person meetings.

## 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.

Supporting small charities to identify and overcome the challenges that they encounter empowers them to make more efficient and effective use of the resources – money, time, goodwill and gifts “in kind” – donated by the public for the public benefit.

Enabling the trustees of small charities to identify difficulties and avoid them reduces the burden on other public services when such difficulties get out of control and require public intervention.

Small Charity Support informally monitors feedback from its beneficiaries (see the Comments in section 7) and comments are reported on the website. However, Small Charity Support does not have the resources to conduct, or commission, its own in-depth, impartial reviews of its activities.

## 4.2. Contributing to Activities Run by Other Organisations

- NCVO Annual General Meeting – Nov’19
- CommUNITY Barnet AGM – Jan’20;
- Small Charity Week, Big Advice Day – FSI – Jun’19

## 4.3. Trustee Development

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

During the Financial Year the Principal Trustee participated in 10 training workshop (all on-line during the Covid-19 crisis) on a variety of charity governance and financial topics. Most were provided by the Small Charities Coalition or Foundation for Social Improvement. Since 1 August 2020 the Principal Trustee has participated in a further 5 on-line webinars.

# 5 Financial Review

## 5.1. Details of Any Funds Materially in Deficit

The Charity has no funds which are materially in deficit.

## 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 2020.

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.

### 5.3.1. Misdirected Income

In the Financial Year Ended 30 June 2019 the charity received an unidentified deposit of ca.£420. The likely intended recipient of the deposit was identified and notified but, as of the date of this report, has not submitted any verifiable claim for the amount to be reimbursed. Accordingly, the amount remains unspent in the charity's accounts as an outstanding creditor. There is no reason to suppose that the money was deposited for any reason other than an unintended error, and the money has not been used (and will not be released for) any purpose which is not demonstrably legal.

## 5.4. Remuneration of Trustees

All Trustees act in a voluntary capacity and receive no remuneration or other material benefits from their services to the Charity.

Out-of-pocket expenses necessarily and reasonably incurred by Trustees in promoting the purposes of the Charity are reimbursed at cost.

## 5.5. Financial Status

Though modest, Small Charity Support's current resources from 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.

## 5.6. Statutory Statements on Liabilities

The Trustees declare that:

- ✓ The charity has given no guarantees where potential liability under the guarantee is outstanding at the date of this statement (eg: any outstanding/ongoing contract or legal undertaking to buy or provide specific services);
- ✓ The charity has no debt outstanding at the date of this statement which is owed by the CIO and which is secured by an express charge on any assets of the CIO (eg: a mortgage on property owned by the charity);

Approved by the Trustees and signed on their behalf,



Brian Seaton, Principal Trustee

Date: 26 Oct 20

## 6 Statement of Financial Activity

### 6.1. 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 2020 set out on pages 16 to 18**

##### 6.1.1. Responsibilities and Basis of the Report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.


##### 6.1.2. Independent Examiner's Statement

I have completed my examination.

I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act;  
*or*
2. the accounts do not accord with those records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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

Date

30/10/20

## 6.2. Receipts & Payments Accounts for the Financial Year Ended 30-Jun-20

|                                      | Current Financial Year, Jul'19-Jun'20 |                       |             | Last Year   |
|--------------------------------------|---------------------------------------|-----------------------|-------------|-------------|
|                                      | Unrestr'd<br>Funds £                  | Restricted<br>Funds £ | Total £     | Total £     |
| <b>A1 - RECEIPTS</b>                 |                                       |                       |             |             |
| Voluntary Income                     | 666                                   |                       | 666         | 644         |
| Income Generation                    | 0                                     |                       | 0           | 0           |
| Charitable Income                    | 0                                     | 0                     | 0           | 0           |
| Other Receipts                       | 0                                     |                       | 0           | 0           |
|                                      | <b>666</b>                            | <b>0</b>              | <b>666</b>  | <b>644</b>  |
| <b>A2 - ASSETS &amp; INVESTMENTS</b> |                                       |                       |             |             |
| Sale of Assets                       | 0                                     |                       | 0           | 0           |
|                                      | <b>0</b>                              | <b>0</b>              | <b>0</b>    | <b>0</b>    |
| <b>TOTAL RECEIPTS</b>                | <b>666</b>                            | <b>0</b>              | <b>666</b>  | <b>644</b>  |
| <b>A3 - PAYMENTS</b>                 |                                       |                       |             |             |
| Generating Funds                     | 0                                     |                       | 0           | 0           |
| Charitable Activities                | -89                                   | 0                     | -89         | -189        |
| Support Costs                        | -432                                  |                       | -432        | -252        |
| Othe Payments                        | 0                                     |                       | 0           | 0           |
|                                      | <b>-521</b>                           | <b>0</b>              | <b>-521</b> | <b>-441</b> |
| <b>A4 - ASSETS &amp; INVESTMENTS</b> |                                       |                       |             |             |
| Purchase of Assets                   | 0                                     |                       | 0           | 0           |
|                                      | <b>0</b>                              | <b>0</b>              | <b>0</b>    | <b>0</b>    |
| <b>TOTAL PAYMENTS</b>                | <b>-521</b>                           | <b>0</b>              | <b>-521</b> | <b>-441</b> |
| <b>NET OF RECEIPTS-PAYMENTS</b>      | <b>144</b>                            | <b>0</b>              | <b>144</b>  | <b>203</b>  |
| <b>A5 - Transfers Between Funds</b>  | 0                                     | 0                     | 0           | 0           |
| <b>NET AFTER TRANSFERS</b>           | <b>144</b>                            | <b>0</b>              | <b>144</b>  | <b>203</b>  |

### 6.2.1. Summary of Receipts & Payments Accounts

|                                    | Current Financial Year, |                       |              | Last Year  |
|------------------------------------|-------------------------|-----------------------|--------------|------------|
|                                    | Unrestr'd<br>Funds £    | Restricted<br>Funds £ | Total £      | Total £    |
| Actual Funds Brought Forward       | 915                     | -                     | 915          | 712        |
| Movement After Transfers           | 144                     | 0                     | 144          | 203        |
| <b>Total Funds Carried Forward</b> | <b>1,059</b>            | <b>0</b>              | <b>1,059</b> | <b>915</b> |



## 6.2.2. Statement of Assets and Liabilities

|   | Current Financial Year, |                    |              | Last Year   |
|---|-------------------------|--------------------|--------------|-------------|
|   | General Funds £         | Restricted Funds £ | Total £      | Total £     |
| <b>B1 - Cash Assets</b>                                       |                         |                    |              |             |
| General Fund  | 1,059                   |                    |              | 915         |
| Net Payments in Advance                                       | 0                       |                    |              | 0           |
| Designated Funds  |                         |                    |              |             |
| Set as Required   | 0                       |                    |              | 0           |
| <b>Total Unrestricted Funds</b>                               |                         |                    | <b>1,059</b> | <b>915</b>  |
| Restricted Funds  |                         |                    |              |             |
| RF-Set as required  |                         | 0                  |              | 0           |
| <b>Total Restricted Funds</b>                                 |                         |                    | <b>0</b>     | <b>0</b>    |
| <b>Total Cash Funds</b>                                       |                         |                    | <b>1,059</b> | <b>915</b>  |
| <b>B2 - Money Owed to the Charity {Other Monetary Assets}</b> |                         |                    |              |             |
| Gift Aid claim  |                         |                    | 0            | 0           |
| Other   |                         |                    | 0            | 0           |
|   |                         |                    | <b>0</b>     | <b>0</b>    |
| <b>B5 - Money Owed by the Charity {Liabilities}</b>           |                         |                    |              |             |
| Independent Examination Fee                                   |                         |                    | 0            | 0           |
| Other   |                         |                    | -420         | -420        |
|   |                         |                    | <b>-420</b>  | <b>-420</b> |
| <b>Net Cash Assets</b>  |                         |                    | <b>640</b>   | <b>495</b>  |
| <b>B3 - Investment assets</b>                                 |                         |                    |              |             |
|   | 0                       | 0                  | 0            | 0           |
| <b>B4 - Assets retained for charity's own use.</b>            |                         |                    |              |             |
|   | 0                       | 0                  | 0            | 0           |
| <b>Total Current Funds</b>                                    |                         |                    | <b>1,059</b> | <b>915</b>  |
| <b>Total Funds (net of liabilities)</b>                       |                         |                    | <b>640</b>   | <b>495</b>  |

## 6.2.3. Disposition of Funds

The Charity has no designated or restricted funds

## 6.2.4. Approval of the Board of Trustees

The Trustees declare that they have approved the above Annual Report & Statement of Financial Activity.

Signed on behalf of the Trustees



Brian Seaton, Principal Trustee.

Date: 76 Oct 20

## 6.3. 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 and the charity's own Simple Accounts Spreadsheet.

### 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 received reimbursement of £49 for 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

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 unrepresented 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.

### g) Banking Technical Errors

During the course of a previous financial year (FYE-Jun'18) a number of foreign deposits totalling £420 (after deduction of foreign transfer charges) were made into the charity's accounts. These deposits were reported to the bank (CAF Bank) and to the intended recipient but have not yet been reclaimed.

There is no reason to suppose that the deposits were fraudulent or in breach of UK banking regulations. The £420 is being held as an outstanding creditor pending finalisation of negotiations to return the amount to the intended recipient.

The charity has suffered no financial loss and was not exposed to any financial risk as a consequence of those misdirected deposits.

## 7 Comments by Users of Small Charity Support's Services

The following are unsolicited comments taken from e-mails received during the year by Small Charity Support from people who have used Small Charity Support's services during the previous 6 months.

*28 September 2020*

I can't thank you enough for the thoroughness, thoughtfulness, and highly helpful and informative email.

*18 September 2020*

Last night you were incredibly helpful very kind and above all generous with your time I know as a group we really appreciate it.

*15 September 2020*

Firstly, thanks so much for putting together your Simple Accounts spreadsheet. Some 20 years ago, as a new Treasurer, I battled with Excel to make something that was simple enough for me to use day to day, and which produced reports which, I at least thought, were more readable than the Accounting-speak commonly used. Your spreadsheet clearly has the same intentions, but you have done it so much better!

*20 August 2020*

I appreciate your feedback and will action your recommendations.

*28 July 2020*

Thank you for the information and thank you for supporting us.

*7 June 2020*

Many thanks for your quick reply - the advice makes sense and is very helpful

*5 June 2020*

That is perfect advice. I am extremely grateful to you for taking the time and the trouble to reply so comprehensively. I will copy your reply to my partner and pass on the content to colleagues in my own organisation.

*1 June 2020*

We have some great news.

Our application has been accepted and we are now a registered charity.

We had to amend the objectives slightly but they accepted it very quickly.

*27 May 2020*

Hello this has all been really useful advice.

*26 May 2020*

After our informative chat yesterday I have been able to complete the spreadsheet for Y/E 2019

*4 May 2020*

Thank you so much for your thoughtful and helpful response - I'm really grateful for your help, and your pointers about what to pursue. We're certainly finding setting up a new charity complex at times, so it's hugely helpful to be able to seek help through resources such as yours.

*4 May 2020*

Thank you for this really insightful email. It's reassuring that I'm on a similar train of thought and action

*3 May 2020*

Thank you so much for this. This is a very comprehensive answer and I really appreciate the effort! Lot's for us to think about here.

*23 April 2020*

Thank you so much for this very informative and helpful e-mail.

*16 April 2020*

Thank you for your reply and your help it is much appreciated.