

Simple is Beautiful:

Small Charity Accounts as if Trustees Mattered



Small Charity Support is a registered CIO 1161963

www.smallcharitysupport.uk

Recording & Managing Your Charity's Funds

One of a Series of Guidance Leaflets for Small Charities

The Scope of These Guidance Leaflets

The title of this series of leaflets has been inspired by the 1960s (but even more relevant today) iconic book, [*Small is Beautiful: Economics as if People Mattered*](#), by E.F.Schumacher.

This leaflet is one of a series which give a quick overview of the various things that you will need to take into account in managing the money of a small charity.

They are NOT a full and comprehensive guide to Charity Law and all the associated regulations. They are just an overview, in simple everyday language (rather than legalistic/accountancy jargon) of the main points for those who want to run their small charity efficiently and effectively for the benefit of their local community, or to help trustees who have encountered a common difficulty.

So if you are expecting your charity's annual income to be more than £150,000/yr, or to own property, or to employ more than the equivalent of 3 full-time staff then you will probably need to seek professional guidance elsewhere.

The topics covered in this series are:

What Accounts ALL Small Charities MUST Keep

The Role of the Treasurer (and assistants)

Recording & Managing Your Charity's Funds *{This Leaflet}*

Budgets & Cash Flows

Financial Controls Checklist

Preparing the Annual Report & Accounts – Unincorp.Associations

Preparing the Annual Report & Accounts – CIOs

Receipts & Payments vs Accruals Accounting *{Not yet available}*

A Bank Account

Other guidance leaflets for small charities (or people looking to set up a new small charity) available elsewhere on the Small Charity Support website (www.smallcharitysupport.uk) include:

Outputs & Outcomes

Governing Documents

The "Minute Book"

Business Planning & Risk Management

Registering with the Charity Commission

Charitable Purposes/Objects

Trustees & Officers

Policies & Procedures

Gift Aid Registration with HMRC

Your comments and suggestions (to comments@smallcharitysupport.uk) as to how these leaflets could be improved to make them simpler and clearer would be much appreciated.

Last Updated: 09-Jul-18

Recording & Managing Funds

1. Scope of This Leaflet

It's always important to remember that, unlike commercial organisations where its assets belong to the shareholders or proprietors, your charity's funds do not "belong" to the charity for its Trustees to do what they wish with them. Your funds belong to your donors on whose behalf you are managing them for the ultimate benefit of your charity's beneficiaries in accordance with your charitable purposes.

So Charity Commission guidance is quite clear: ALL charities, regardless of their governance structure and annual turnover, have to maintain properly organised and managed financial records to be able to demonstrate to anyone who reasonably enquires that they are managing their charity's funds efficiently and effectively. **And this is the case even if your charity is below the £25,000 threshold above which charities are legally required to have their accounts independently examined and submitted to the Charity Commission to be put into the public domain.**

1.1. Guidance for Small Charities

There is very little guidance available anywhere for small charities – particularly those just starting up – on how to go about setting up and running a system for recording and managing their finances.

Charity Commission guidance on how charities should produce their statutory annual report and accounts is contained in its publication CC15b: "*Charity Reporting & Accounting: The Essentials*".

<https://www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-cc15b>

Unfortunately that publication includes guidance for charities of "all shapes & sizes", from small exclusively volunteer-run CIOs with an annual turnover of less than £600 to large quasi-commercial charities with an annual turnover in excess of £600,000,000. Inevitably, the guidelines for larger charities are more extensive and complex than those needed by the vast majority (ca85%) of smaller charities with an annual income of less than £250,000.

So much of the guidance is irrelevant to small charities.

Also, the guidance is addressed ONLY to the layout of the final annual accounts and therefore provides no information on how best to collect & record the information needed to report the financial state of a charity to its Trustees throughout the year. Consequently they also provide little information about (and solutions for) the sorts of issues that a small charity – and particularly a new small charity – needs to consider when deciding on the best way to record and manage its day-to-day financial transactions.

This leaflet is based on the Charity Commission guidelines, but focuses just on the needs of small charities. So it leaves out the guidance on Accruals accounting methodology and statutory audit – *ie*: applies ONLY to charities which have adopted Receipts & Payments (R&P) accounting methodology and Independent Examination of its accounts. For additional notes on the *pros & cons* of Receipts & Payments accounting methodology vs Accruals methodology, see Annex 6.2.

The following notes are based on the assumption that the charity has one of the standard governing documents which only require the charity to comply with the default legislation for maintaining its accounts and having them independently examined (if required at all). If a charity has a modified governing document which stipulates other requirements for the maintenance and independent examination/audit of its financial records then those other requirements take precedence and the following notes do not apply.

2. Charity Commission Requirements for R&P Accounts

2.1. Unincorporated Associations, Less than £25,000/year

Unincorporated Associations with an annual turnover of less than £25,000 are required to keep proper financial records, but are not required to have their accounts independently examined or to submit them to the Charity Commission.

However, it is strongly recommended that they nevertheless do create a proper Trustees Annual Report with Accounts and have it independently examined¹. This is not only good practice. It is useful to have proper reports & accounts to show to potential donors/funders to demonstrate that the charity is well-managed so that their donations will be safe in its hands. And it also means that the charity will already have a good accounting system in place for when its turnover exceeds £25,000 and is then legally required to submit its annual report & accounts to the Charity Commission.

2.2. Unincorporated Associations, More than £25,000/year

Unincorporated Associations with an annual turnover of more than £25,000 are required to keep proper financial records, to have their accounts independently examined¹ and to submit them to the Charity Commission.

2.3. Charitable Incorporated Organisation (CIO), regardless of Annual Turnover

Charitable Incorporated Organisations (CIOs) are required to submit Independently Examined¹ annual accounts to the Charity Commission regardless of their level of income (*ie*: even if zero).

This is because, as a legally incorporated organisation, a CIO provides its Trustees with protection from personal liability in the event that it encounters “financial difficulties” (provided, of course, that the Trustees have acted reasonably and responsibly)².

2.4. What Does a Charity’s Annual Report & Financial Statement Have to Contain?

For further information on what a new charity will have to do at the end of the year to produce its first Trustees Annual Report & Financial Statements please see Section 5.3 and the relevant one of two companion leaflets:

“Notes on Preparing the Trustees Annual Report & Financial Statements:

7b: for Unincorporated Charities;

7c: for Charitable Incorporated Organisations”

3. Choosing a Method to Record Financial Transactions

3.1. It’s just plain common sense really.

Everyone recognises that “putting all your bills and invoices into a biscuit tin just in case they might be useful sometime” is completely inadequate as a financial record-keeping system. And in this digital age, where a growing proportion of your financial documents are in “paperless”/electronic form, they, too, need to be filed in an organised manner which is coordinated with any paper records so that they can work together in a consistent manner.

This is not only so that you can quickly and easily locate any particular documents to refer to them later (*eg*: in the event of any dispute). If your charity’s accounts are to be independently examined, the Examiner is also going to want to verify that you have a properly organised file of documents and that your records tally properly with the paper documents.

¹ An independent examiner is ‘an independent person who is reasonably believed by the charity trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts’
So, provided that they are able to follow the Charity Commission guidelines for an independent examination:
<https://www.gov.uk/government/publications/independent-examination-of-charity-accounts-examiners-cc32>
they do NOT have to be a professional accountant or qualified independent examiner (*eg*: a member of the Association of Charity Independent Examiners – www.acie.org.uk).

² We need to be a bit bluntly pragmatic here: If a CIO gets into financial difficulties and can’t pay its bills, the Trustees are protected from personal liability (provided that they have acted legally, reasonably and responsibly, of course!). Instead, the people who end up having to bear the CIO’s losses are either its insurers or the people who don’t get paid the money that the CIO owes to them. So it is reasonable for the Charity Commission (which, by incorporating the CIO, provides the Trustees with their protection from personal liability) should also provide those who donate to, or trade with CIOs with similar protection from the CIO getting into “financial difficulties”.
It does this by making sure that the CIO is being properly and responsibly financially managed by requiring it to submit an Independently Examined Trustees’ Annual Report and Financial Statement.

Whether they are lines on sheets of paper or rows in a computer spreadsheet, financial records which are nothing more than plain lists of all your charity's financial transactions are pretty useless for keeping the Trustees informed on the financial status of your charity because it is difficult, if not impossible, to do any kind of aggregation or analysis of such information.

Like all good information systems, good financial management is **NOT** about **COLLECTING** financial data. It is about **USING** financial data – the ability to retrieve, analyse and then use the data which have been collected to enable the Trustees to make sensible decisions about the best way to raise and spend their charity's funds³.

Collecting data which never get used is a waste of time and resources!

So, when deciding what kind of financial management system you need to set up, the focus should NOT be primarily on what information you CAN collect, but on what information the Trustees will want to see analysed and presented in order to run the charity effectively.

For example: A charity which gets the bulk of its income from specific project funding, particularly if it has several different project funds restricted to specific purposes, will need a system which allows the income and expenditure associated with each project fund to be identified, monitored and reported individually. But a charity which gets the bulk of its income from unrestricted general donations will not have that requirement.

3.2. What your financial management system MUST be able to do.

Regardless of whether your system for recording and managing your charity's financial transactions is manual (*ie*: simple pen & paper) or computerised, for the efficient and effective day-to-day management of your charity it will need to be able to:

- maintain an up-to-date record all its day-to-day financial transactions – both receipts & payments;
- quickly find any particular transaction, or group of transactions (and, if necessary, link it/them to any relevant paper documents or electronic files), to check & verify them and to assess them in the context of other related transactions;
- aggregate (*ie*: add together) related transactions for analysis purposes.
In some cases it may be required to aggregate specific transactions in different ways for different purposes – eg: all telephone charges may need to be aggregated, together regardless of which project they relate to, for the purpose of monitoring the bills from the telephone service provider, and at other times the telephone charges associated with individual projects may need to be aggregated with the non-telephone costs for the corresponding project for the purposes of monitoring the status of the funding for each individual project;
- produce interim financial reports of income & expenditure throughout the year for presentation to the Trustees;
- compare actual income & expenditure at any point in the year⁴ with the expected (*ie*: budgeted) income & expenditure at that point in the year;
- produce the annual financial statements for reporting to the Charity Commission as required.

3.3. An effective financial record-keeping system therefore actually consists of two parts:

- a: A means for keeping up-to-date, detailed and searchable/retrievable (*ie*: systematically organised) records of all its individual financial transactions – the monies that it receives and the payments that it makes. Plus any other relevant transaction, *eg*: if it has an interest-bearing deposit account as well as a current account, all the transfers it makes between those two accounts.

³ **Note:** it is fundamental to charity law that it is the charity's Trustees who have the ultimate responsibility for the proper use of their charity's funds. It is common, and entirely proper, for the Trustees to delegate some or most of their responsibility for the day-to-day management of the charity's finances to other paid staff or volunteers. But in that case it is only a delegated responsibility – *ie*: those persons can **ONLY** act within the guidelines set by the Trustees and **MUST** go back and consult with the Trustees if anything comes up which is not covered by the Trustees' guidelines. So, whilst those with delegated authority

⁴ This is usually at the end of each month or quarter.

- b: A means of aggregating related transaction (eg: donations received, or the monthly telephone bills) into regular financial summaries/reports so that those administering the charity's finance can easily see how the charity is getting on financially. This should include BOTH:
 - i. the cash-flows – monies received and paid out – and, consequently, how the charity's reserves are going up/down to ensure that the charity is remaining financially viable and solvent.
 - ii. budget reports – ie: comparisons of what monies have actually been received and paid out against what was expected to have been received and paid out at any given point in the year. That, of course, requires the Trustees to have created a budget for the year as part of its Business Planning process (see companion leaflet 8: A Business Plan).

3.4. Records of financial transactions

Pretty much regardless of what kind of bookkeeping system your charity uses it will almost certainly want to be able to record and analyse at least the following basic information on all of its transaction:

- Date: The date on which the transaction was made, ie: the date that money was received or paid into the bank account, the date that a cheque was written, etc.;
- Payer/Payee: Who the money was from or to whom it was paid;
- Amount: The amount of the transaction;
- Description: A note of what the money was for;
- Reference: Some method of linking the transaction to other relevant records where appropriate, eg: the cheque number or expenses claim reference for outgoing payments; the invoice number if receiving money for goods/services provided by the charity;
- Category: The category under which transactions for similar purposes can be aggregated for analysis purposes, eg: Subscriptions; Ticket Sales; Postage; Photocopying; Travel.

And you may also want to keep additional transaction information (eg: to which project fund the transaction relates when your charity has multiple project funds; when a transaction actually appears in the bank statement – very useful for keeping track of, for example, expenses payments to Trustees who then either forget to deposit the cheque or decide not to and give their expenses as a donation).

3.5. Creating categories⁵ to allow related transactions to be grouped/analysed together

Without a shadow of doubt, deciding on what Categories a charity wishes to use to allow transactions for similar purposes to be grouped together and organised for analysis purpose is by far the hardest and most time-consuming part of setting up and running a charity's bookkeeping system.

The "good news" is that it tends to be an "initial one-off" operation – ie: once it has been done it doesn't have to be re-done on a regular basis – though you will, of course, need to make "minor tweaks" from time to time (eg: to add new Categories or to delete redundant ones).

And this is the case whether commercial or "home-grown" software is used. Indeed, setting up categories in commercial software can sometimes be even more difficult if that software has constraints on how different categories can, or cannot, be set up. This can be particularly so for accounts software which is designed for small businesses and is therefore focused on the accounting requirements of trading, corporation tax and VAT.

There are always some initial problems:

- is it better (ie: more understandable) to call a category this or that?;
- do we want to organise these Categories together or those?.

Whilst there are some useful examples that can be followed, every charity has its unique characteristics and so the organisation of each charity's Categories will differ – sometimes only slightly, other times substantially – from those of other charities (even where charities work in similar areas).

⁵ "Categories" is just an "every-day" word for what are called "Nominal Accounts" in accountancy jargon. There is no practical difference between "Categories" and "Nominal Accounts", it's just that "categories" is a bit easier for non-accountants to understand. Charity Commission guidelines on charity accounts also frequently use the word "Categories" in the same way, and presumably for the same reason.

In addition to the main Categories it is quite likely that a charity will want to include some sub-Categories to enable a bit more “fine detail” to be analysed and reported for internal monitoring, even if it is not intended to include such detail in the final annual accounts.

For example: if a charity, amongst other activities, puts on events for its beneficiaries it might only want to report the overall cost of such events in its annual accounts but create separate categories to record the costs of, say, venue/publicity/catering for each event to keep a closer watch on those costs at the operational level. It would therefore create three Events sub-categories:

Events-Venue; Events-Publicity; Events-Catering

to enable it to collect transactions under each sub-category for detailed administrative analysis and reporting to the Trustees. For all other reports the costs under the three sub-categories would simply be aggregated (added together) and reported as just “Costs of Events”.

A big temptation, particularly when setting up computerised bookkeeping systems, is to over-categorise, *ie*: create many categories to deal with trivially small distinctions between different types of income or expenditure. But rather than enhancing the reporting capabilities of the bookkeeping system, over-categorisation can undermine the value of reports by making them excessively detailed and complicated so that Trustees “can’t see the wood for the trees”!

The key question here is *“How often will it be IMPORTANT for the Trustees to be aware of the financial differences between minor variations in categories?”*.

If the answer is “Rarely, if ever”, then don’t create those separate categories.

Another question is *“How many times will we be recording transaction in each category?”*.

If the answer is that some sub-categories will only ever contain one or two individual transactions then those sub-categories are probably superfluous and there are more effective ways of analysing at that level of detail.

On those occasions when the Trustees need to consider such detail it is usually quicker, easier and more reliable to do the analysis by hand. Excessive detail in the core financial system requires more sophisticated analyses which can (and often does) increase the likelihood of unnoticed minor errors creating inaccurate/invalid results.

The “good news” is that once the Categories have been set up, and all the “wrinkles ironed out” thereafter they generally only need to be changed occasionally as the charity takes on major new areas of activity (or discontinues existing ones).

There are no statutory specifications of how a charity’s categories are to be named and organised.

The Charity Commission guidance note suggests two ways in which Categories can be organised, which it calls: (a) Natural Categories; or (b) Activity Categories.

Natural Categories are organised according to the nature of the transactions – *eg*: all the categories related to the use of premises; all the categories related to printing & publicity; all the categories related to staff costs.

Activity Categories are organised according to the activities being undertaken by the organisation – *eg*: activities for young people; activities for older people; activities for the disabled.

In practice it is possible to categorise and sub-categorise by both type and activity *eg*:

By Type:

- Use of Premises – Young People
- Use of Premises – Older People
- Use of Premises – Disabled People
- Staff Costs – Young People
- Staff Costs – Older People
- Staff Costs – Disabled People

Or by Activity:

- Young People – Use of Premises
- Young People – Staff Costs
- Older People – Use of Premises
- Older People – Staff Costs
- Disabled People – Use of Premises
- Disabled People – Staff Costs

Which form you choose will simply be the reporting structure which is most useful for your particular situation.

An illustration of a structure for categories based on the charity's activities as determining the main categories (*ie*: with the secondary structure being the nature of sub-category types) is shown in Annex 6.

3.6. Receipts & Payments – Net & Gross

Net receipts: is where any income is recorded after deducting any cost associated with it.

eg: if your charity bulk-purchases special informational literature to sell to its beneficiaries at less than high-street prices, "Net" is the income you get from selling the literature less what you had to pay for it – *ie*: the surplus (as "not-for-profit" organisations, charities don't make "profits").

Net payments: is where any expenditure is recorded after deducting any receipts associated with it.

eg: if you charity organises an event for its beneficiaries for which it makes a small charge, but insufficient to cover the whole cost of the activity, "Net" is the cost of the event less the contributions made by participants – *ie*: the loss on the event.

Gross receipts and gross payments: are, respectively, the total income received and total expenditure incurred by any of the charity's activities WITHOUT taking into account any associated payments or receipts.

An important feature of charity financial recording and management is that charities are required to record all their receipts and payments as GROSS (*ie*: unlike most commercial organisations which record their trading income as NET profit/loss).

This is particularly true of charity activities which are specifically for raising funds.

For example, if your charity organised a local fundraising fete your accounts MUST show all the costs (venue hire, refreshments, entertainment, etc) separately from all the income (admission tickets, donations, sales of goods) and NOT just the net amount (surplus/"profit") from the event.

So, regardless of whether your activities are intended to run at a net surplus (*ie*: to generate income to support other activities) or at a net loss (*ie*: are subsidised by the charity for the benefit of its beneficiaries) you must set up your financial recording and management systems to be able both to record the gross receipts and gross payments and analyse the resultant net surplus or deficit.

HOWEVER, this does NOT apply to activities which are organised entirely independently by supporters to raise money for your charity.

For example: if a supporter privately and independently of the charity were to organise a party or garage sale in their own home – and at their own risk – to raise money for the charity they would be able to make just a private donation of their net proceeds to the charity.

But if the charity itself had any involvement in the event – and particularly if it made any financial contribution to the costs of the event, or agreed to cover any losses that might be incurred (*eg*: if the event had to be cancelled due to bad weather) then the whole event would have to be treated as being run by the charity and all the receipts and payments recorded gross rather than net.

3.7. Setting & Monitoring a Budget

Every charity should set an annual budget, based on its annual business plan⁶, and then regularly (*ie*: at least at every Trustees' meeting, if not monthly) monitor its actual financial activities against its expected (*ie*: budgeted) financial activities.

Those regular interim finance/budget reports should then be carefully monitored by those with responsibility for the charity's finances (which includes ALL the Trustees) and explanations sought for any significant differences (variances) between the actual figures and the budgeted figures. And that review should always consider not just the unfavourable variances (*ie*: lower than expected receipts or greater than expected expenditure resulting in less money in the charity's reserves) but also any significant favourable variances (*ie*: more money received or actual costs being less than expected).

Whilst it is not a legal requirement, it makes good sense for the layout and content of the charity's regular interim finance/budget reports to Trustees (and administration volunteers/staff where appropriate) to follow the layout of the charity's formal annual accounts and financial statements. However, it is likely that the regular interim finance/budget reports will be more detailed (*ie*: contain more categories & sub-categories for income & expenditure) than the charity's final annual accounts. This is fine if the

⁶ See companion leaflet in this series, 8: A Business Plan

categories in the final annual accounts are simply high-level aggregates of those in the interim finance/budget reports.

Some Trustees might be tempted (and all-too-often are tempted) to argue that their charity's finances are too small and simple to require formal budgets and finance reports.

That is bad thinking.

If the charity's accounts are that simple then there is no excuse for not producing the equally simple budget and interim reports.

And if the argument is that the charity's finances are too complex to produce formal budgets and finance reports, how can the Trustees meet their legal obligation to ensure that their charity's funds are properly managed?

A particular problem for the Trustees of small charities, none of whom have professional accountancy or bookkeeping experience, is to think that the accounts of their charity have to be managed by a qualified bookkeeper or accountant. Whilst that may be true for larger charities which have many staff, individual projects, wide-ranging charitable activities, and wide-ranging sources of income it is by no means necessarily true for small charities.

Figures for the average UK annual income vary considerably depending on which source you look at. But what is indisputable is that something like HALF of all charities in the UK have an annual income which is LESS than a typical family income.

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

So the accounts of small charities will, generally, be no more complex than ordinary domestic accounts.

3.8. Buying commercial accounting software.

Many charities buy commercial software to record and manage their finances. This can be either:

- a: Software designed for small businesses, of which there are many, with well-known names like Sage, Quickbooks now in competition with a wide range of other less well-known names. Much of the software designed for small businesses also claims to be suitable for charities. The list is constantly changing, so "google" "Accounts software for small businesses" to get all the latest information and offers;
- b: Software specifically designed for charities. Names, like Paxton & Data Developments are not nearly so widely known, but have been around for a long time and offer tried & tested products.

But, again, it is a dynamic and rapidly changing market-place, so "google" "Accounts software for small charities" for the latest information and offers.

Commercial accounts software used to be like most other software – you bought a CD/DVD, installed the software on your PC and that was it! – you could run it for as long as you like (*ie*: until your PC & operating system became obsolete). But, increasingly, accounts software is now sold on a "cloud" basis – there's no CD/DVD or anything to install on your PC. Effectively you buy a license which gives you a User-ID and password to use your web-browser to access the software via the internet. That's great for being able to access your accounts "on the move", or to allow more than one person to access it without having to "go into the office". But it does lock you into a recurring (usually monthly and not inexpensive for really small charities) license fee. And note that if you want several people to be able to access your accounts simultaneously you usually have to buy the appropriate number of licenses.

There are some "free" accounts packages – though be careful. Sometimes "free" just means either that it has very restricted functionality or, more usually, that there's a free "trial period" during which you can use a full version without payment, but once the trial period comes to an end you either have to pay the license fee or find your data locked.

3.9. Develop your own accounting software (eg: an MS-Excel® spreadsheet).

With most commercial accounts software costing between £200 & £500 quite a lot of small charities set up their own "home-grown" system for recording and managing their finances, particularly when they are first starting up and their finances are quite simple. Usually this will be done using commonly available computer software, like MS-Excel® or OpenOffice-Calc®, or even "traditional" pen&paper using ledger-books purchased from a local stationery shop

However, be careful. Unless your accounts really are VERY small and VERY simple, OR you know somebody who is quite experienced at developing spreadsheets, you may only find that you create endless problems for yourself as “bugs and glitches” find their way into the software making the results inaccurate.

Also, people who create their own accounts spreadsheets typically replicate classical “pen & paper” – *ie*: “double entry” – bookkeeping methodology – with many ledgers (separate worksheets within a single spreadsheet file) with many columns. Whilst this has the advantage of appearing to be a very simple (not to say “traditional”) way to collect financial data, it can be extremely difficult to create the desired analysis and reporting structures (see the caution in section 3.1). It can also make it very difficult for an “outsider” to understand how the financial data are recorded and analysed. So that if the person who normally does the recording and analysis of the financial unexpectedly becomes “unavailable” (*eg*: is off sick, or on holiday, or has left in a “huff”), getting the work taken over by somebody else can be very difficult.

The Small Charity Support website has an example of a practical, and relatively simple, way of using the power of modern spreadsheets to create a low/zero cost spreadsheet to record and manage Receipts & Payments accounts for small charities. <http://www.smallcharitysupport.uk/Accounts.html>

4. Accountants & Bookkeepers

Daunted and bewildered by all the accountancy/bookkeeping jargon of double-entry, nominal accounts, control accounts, ledgers, trial balances, creditors, debtors, accruals, depreciation, *etc.*, *etc.*, etc. it is not surprising that many “ordinary” charity Trustees who do not have accountancy or financial management experience feel that they have no choice but to turn to professional accountants for help with managing their charity’s finances.

Unfortunately in all too many cases this exacerbates rather than solves the problem.

Professional accountancy/bookkeeping is focused on the more complex needs of commercial businesses – from local sole traders to big corporations – which have to comply with company accounting regulations and, particularly, the taxation requirements of HM Revenue & Customs. Consequently, many professional accountants/bookkeepers have a poor (sometimes to the point of non-existent) knowledge/understanding of the Receipts & Payments (sometimes confused with cash-accounting for VAT) requirements of small charities.

So when Trustees feel they have no choice but to seek help from external professional accountants/bookkeepers, it is, sadly, not uncommon for them to end up having quite unnecessarily complex (*ie*: difficult for them to understand) accruals-like accounting systems foisted upon them – and may even have unnecessarily large professional fees foisted upon them for “the privilege”.

Small charities which seek the assistance of external professional accounts and/or bookkeepers should therefore carefully check to ensure that the individual/company they are planning to engage have the requisite knowledge and experience. This is the case even if the individual concerned will be taking on the role in an unpaid capacity (*ie*: as a “professional volunteer” or on a “pro bono” basis) and even more so if he/she will be charging a professional fee. Professional accountants should always provide you with a formal Letter of Engagement setting out what they will (and will not) be doing for you and their professional charges. You should make sure that their Letter of Engagement explicitly states something along the lines of:

- a: he/she is familiar with, and fully understands, the principles and practices of Receipts & Payments accounting for small charities, as set out in the Charity Commission guidance publications CC16, *Receipts And Payments Accounts Pack*, which can be found on-line at:
<https://www.gov.uk/government/collections/receipts-and-payments-accounts-pack-cc16>;
- b: those principles and practices will be properly applied in the creation and ongoing management of the charity’s accounts, including the preparation of the Annual Financial Statements to accompany the Trustees’ Annual Report.

And if possible, also seek references from other charities which have engaged your candidate. If the person you are seeking to engage is unwilling, or even hesitant, to make such positive affirmations or to provide references you should seek an alternative. Whilst most accountants/bookkeepers will be honest and professional, there are enough examples of those who, at the best, overestimate their knowledge

and at worst are simply incompetent when it comes to charity accounting, to be cautious about engaging someone purely on “trust”.

The Resources section of the Small Charities Coalition website, www.smallcharities.org.uk/resources, (click on the “Accounts & Finance” link) contains references to a number of organisations which can provide experienced professional advice to charities, sometimes at discounted rates or even *pro bono*.

And the website of the Association of Charity Independent Examiners (ACIE), www.acie.org.uk, is another useful source of information not only for someone to do the Independent Examination of your charity’s accounts but also for guidance and support on setting an appropriate recording and management system.

5. Reporting

A fundamental principle of the Charities Act is that ALL Trustees are EQUALLY responsible for the financial management of their charity in accordance with its charitable objects and charity law. It therefore axiomatic that the choice of categories and the way that they are organised and analysed/aggregated to produce both the regular financial reports to Trustees and the charity’s Annual Report & Accounts MUST be EASILY understandable to ALL the Trustees, and NOT just gobbled-gook to everyone except the charity’s accountant and independent examiner (and, perhaps, the Treasurer, too).

5.1. Interim Finance Reports

It is absolutely essential that your bookkeeping system can quickly and easily produce interim reports “on demand” at just about any time during the financial year. Without such interim reports the charity’s Trustees cannot keep a proper “finger on the pulse” of how the charity’s finances are performing. This not only SIGNIFICANTLY increases the risk that the charity will slide unnoticed into financial difficulties – it also makes it SIGNIFICANTLY harder to make critical decisions on how best to deal with the financial difficulties which arise.

So it is good practice for there to be an interim finance report – showing how much money has been received and expended to date – at EVERY Trustees meeting. AND that report should be reconciled with the latest bank statement so that Trustees can also see that what the bookkeeping records are showing is consistent with the bank statements. That will identify any significantly overdue transaction which need “executive action” (*eg*: to chase up a tardy payer of their bills, particularly if leaving the charity significantly short of funds). It will also both help to identify errors and (sorry to have to say – but it is important) to deter theft/fraud⁷.

5.2. Interim Budget Reports

Even more valuable than Interim Finance Reports to every Trustees meetings are Interim Budget Reports, which show at every Trustees meeting not just a summary of the charity’s income & expenditure to date, but also how the actual income & expenditure compares to that predicted in the charity’s Business Plan.

The merits of a charity having a proper Business Plan, and actively monitoring actual against planned activity (in all aspects of the charity’s work, not just financial) are described in the companion paper, **8: A Business Plan**

⁷ *Opportunity – such as is created by Trustees not keeping a proper watchful eye on their charity’s money and cash flow – is a very common reason for theft/fraud.*

We’ve all done it – come out without our purse/wallet and so need a bit of quick cash to buy some lunch or other immediate item. It was always the intention to pay it back, and usually that is what happens.

But sometimes it gets forgotten, or a similar thing happens another day. And then what was initially a “small hole” in the accounts grows, initially imperceptibly and unintentionally, into a hole which is too big to pay back. So some figures get “adjusted” to cover up the hole and what started off entirely innocently has turned into criminality.

Confident that it couldn’t happen to your charity? Don’t delude yourself !! It happens all too often.

You can, though, be confident that, should such a difficulty befall your charity, the Charity Commission will be distinctly unsympathetic to the excuse that “we didn’t bother to check our finances because we thought our volunteers/staff were honest & reliable”.

So it is highly desirable – pretty much essential, actually – that every charity’s bookkeeping system should not only be capable of recording transactions and producing interim financial reports on demand but should also be capable of holding the budget from the charity’s Business Plan and producing on demand interim budget reports, comparing actual with budgeted cash flows on a regular basis.

Every charity’s needs are unique, so there is no definitive model of what its Interim Budget Reports should look like. But it is probable that, in order to give a good and clear picture of how the charity’s finances are actually progressing in relation to what was expected, the report will contain at least the following information:

- a: Actual income and expenditure to date;
- b: Expected (ie: budgeted) income and expenditure to date;
- c: The variance (ie: the difference between the expected and actual) to date.

In addition, it is generally useful to include:

- d: The out-turn⁸ for the previous year;
- e: The annual budget for the current year.

In terms of what level of detail of individual categories should be included, there may sometimes have to be some pragmatic compromises. Ideally, the general order (headings, subheadings, etc) of Interim Budget Reports should follow the corresponding order in the charity’s end-of-year Financial Statements so that, throughout the year, Trustees can see their Interim Report building up to that which will appear in the Annual Financial Statements. Except where the charity’s financial activities are very simple, it is likely that, for effective financial monitoring, Trustees will want to see the Interim Budget reports broken down to a much more detailed level of Categories than will appear in the Annual Financial Statements

An illustration of what a Trustees’ Interim Budget Report might look like and how that then “condenses” down into the Financial Statements for the Annual Report is shown in Section-6, *ANNEX – Categories Structure by Activity then Type*.

5.3. Trustees’ Annual Report & Financial Statements

At the end of each financial year your charity should produce a Trustees’ Annual Report & Accounts (known formally as the Trustees’ Annual Report and Financial Statements – TAR&FS) even if it is not legally required to submit them to the Charity Commission (see section 2, above).

The public in general – and particularly any person or organisation who/which donates to your charity – is entitled to ask for, and to be shown, them. And most large funders will not give grants unless you have well-written annual reports on your charity’s achievements and accompanying financial records signed off by an Independent Examiner.

For those charities which are legally required to submit their TAR&FSs to the Charity Commission there is extensive guidance on what they should contain. Not surprisingly, the requirements vary according to a charity’s annual income and are quite rigorous/onerous for larger charities (ie: over £250,000 per year). For full details see the Charity Commission website:

<https://www.gov.uk/guidance/prepare-a-charity-trustees-annual-report>

For much shorter précis focused just on the requirements for small charities (under £250,000 per year) see the companion leaflets:

- 7b: Preparing the Trustees’ Annual Report & Financial Statements for Unincorporated Associations;
- 7c: Preparing the Trustees’ Annual Report & Financial Statements for Charitable Incorporated Organisations.

Even if you are just starting up your charity and so producing your first Trustees’ Annual Report & Financial Statement is still some way ahead, it is advisable to at least familiarise yourself with what will be required. It would be a great inconvenience if, as you came to write your first TAR&FS, you were to find that they required information which you had, out of lack of knowledge, failed to collect in an appropriate format or, worse, had failed to collect at all.

⁸ The final total amounts at the end of the previous financial year.

5.4. Independent Examination of your charity's accounts.

If your charity's annual income is over £25,000 you are legally required to have your annual accounts independently examined¹ and to submit the examined accounts to the Charity Commission which will put them into the public domain on its website.

An independent examiner is '*an independent person who is reasonably believed by the charity trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts*'. So, provided that they are able to follow the Charity Commission guidelines for an independent examination:

<https://www.gov.uk/government/publications/independent-examination-of-charity-accounts-examiners-cc32>

they do NOT have to be a professional accountant or qualified independent examiner (eg: a member of the Association of Charity Independent Examiners – www.acie.org.uk).

A common misunderstanding amongst charity trustees is that the Independent Examination is required to check only that there is documentary evidence for transactions and that "the numbers add up"

The Independent Examiner has to comply with the Charity Commission Directives on how an Independent Examination must be conducted in order that he/she can responsibly make the required formal statement about the examination.

There are 10 Directives for Independent Examinations, but Directives 7, 8 & 9 only apply to accounts prepared on the Accruals basis. The Directives themselves are, inevitably, written in "legalese", so the following is a précis of the Directives in more "ordinary" language and as they relate to charities which manage their finances on a Receipts & Payments (R&P) basis:

5.4a Direction 1 - Examination and Accounting Thresholds

The Examiner is responsible for checking that the charity is entitled to use R&P accounts

5.4b Direction 2 – Documentation

The Examiner must keep proper records of the way that they carried out their examination and reached their conclusions.

5.4c Direction 3 - Understanding the Charity

The Examiner must make sure that they understand the charity's constitution and charitable objects in order to be satisfied that the charity is using its money and other assets properly.

5.4d Direction 4 - Accounting Records

The Examiner must make sure that the charity's accounting records are complete, accurate and understandable.

5.4e Direction 5 - Comparison with Accounting Records

The Examiner must make sure that the final summarised Annual Accounts are accurate and consistent with the detailed transactional records.

5.4f Direction 6 - Analytical Procedures

The Examiner must check that there are no "unusual" items in the account – ie: transactions or aggregates (summaries) of transactions which are unexplained or seem inconsistent with the charity's activities.

5.4g Directions 7 - Form and Content of Accounts; 8 - Accounting Policies, Estimates and Judgments; 9 - Trustees' Annual Report

These only apply to Accruals accounts.

5.4h Direction 10 - Examiner's Report

The Examiner is required to produce and sign a report using specific wording set out by the Directives.

5.4i Statutory Duty to Report to the Charity Commission

In addition, Examiners have a legal duty to report to the Charity Commission anything which they believe to be "irregular" or improper in the charity's accounts.

5.4j Charity Commission Guidance Publications

A fuller and more detailed description of the Directives for the Independent Examination of charity accounts is set out in the Charity Commission guidance publication for charity Independent Examiners, CC32 , *“Independent Examination of Charity Accounts: Examiners”*

<https://www.gov.uk/government/publications/independent-examination-of-charity-accounts-examiners-cc32>

Your Independent Examiner should have a copy.

There is also a companion guidance publication for charity Trustees, CC31, *“Independent Examination of Charity Accounts: Trustees”*

<https://www.gov.uk/government/publications/independent-examination-of-charity-accounts-trustees-cc31>

Your Trustees should certainly know of the existence of that guidance and be able to access it should it be necessary. However, much of the guidance is for the preparation of accounts on the more complex Accruals basis, so the Trustees of small charities using simple R&P accounts would NOT be expected to be familiar with “every word, cover to cover”.

6. ANNEX – Categories Structure by Activity then Type

6.1. Categories Structure for Interim Budget Reports to Trustees

| Better Living Charity | | Budget Report: | | 31-Dec-15 | |
|-----------------------------------|-----------------------------|---------------------------|--------------------------------|--------------------------------|-----------------|
| RECEIPTS | Prev Yr Out-turn | This Yr Budget | Budget to 31-Dec-15 | Actual To 31-Dec-15 | Variance |
| R1-VOLUNTARY INCOME | | | | | |
| R1-Membership | 1,230 | 2,500 | 2,500 | 2,550 | 50 |
| R1-Donations | 1,904 | 3,000 | 3,000 | 2,864 | -136 |
| R1-GiftAid | 0 | 800 | 900 | 0 | -900 |
| R2-INCOME GENERATION | | | | | |
| R2-Fundraising | 0 | 240 | 240 | 0 | -240 |
| R3-INVESTMENT INCOME | | | | | |
| R3-Interest-Bank Accounts | 0 | 12 | 12 | 0 | -12 |
| R4-CHARITABLE INCOME | | | | | |
| R4G-GENERAL FUNDS | | | | | |
| R4G-ConfRegistrations | 0 | 0 | 0 | 1,350 | 1,350 |
| R4G-Miscellaneous | 0 | 0 | 0 | 0 | 0 |
| R4R-RESTRICTED FUNDS | | | | | |
| R4R-SafeAtHome | 7,759 | 7,500 | 7,500 | 8,082 | 582 |
| R4R-BetterEating | 15,460 | 12,500 | 12,500 | 12,500 | 0 |
| R4R-HealthMatters | 11,810 | 4,000 | 4,000 | 3,905 | -95 |
| R9-ADVANCE RECEIPTS | | | | | |
| R9-ReceiptsInAdvance | 0 | 12 | 12 | 160 | 148 |
| TOTAL RECEIPTS | 38,163 | 30,564 | 30,664 | 31,412 | 748 |
| PAYMENTS | Prev Yr Out-turn | This Yr Budget | Budget to 31-Dec-15 | Actual To 31-Dec-15 | Variance |
| P1-GENERATING FUNDS | | | | | |
| P1-Fundraising | 0 | 0 | 0 | 0 | 0 |
| P2-CHARITABLE ACTIVITIES | | | | | |
| P2-RESTRICTED FUNDS | | | | | |
| P2-SafeAtHome | | | | | |
| P2-SaH-Staff Costs | 8,826 | 7,500 | 7,500 | 7,202 | 298 |
| P2-SaH-Project Costs | 10,386 | 1,500 | 1,500 | 736 | 764 |
| P2-BetterEating | | | | | |
| P2-BE-Staff Costs | 6,268 | 8,100 | 8,100 | 8,735 | -635 |
| P2-BE-Project Costs | 5,760 | 3,000 | 3,000 | 2,747 | 253 |
| P2-HealthMatters | | | | | |
| P2-HM-Project Costs | 0 | 3,600 | 3,600 | 3,027 | 573 |
| | 31,240 | 23,700 | 23,700 | 22,447 | 1,253 |
| P2-OTHER ACTIVITIES | | | | | |
| P2-Training | 0 | 100 | 100 | 0 | 100 |
| P2-Volunteer Costs | 6 | 100 | 100 | 0 | 100 |
| P2-Networking | 1,343 | 600 | 600 | 1,415 | -815 |
| P2-Miscellaneous | 0 | 240 | 240 | 0 | 240 |
| | 1,349 | 1,040 | 1,040 | 1,415 | -375 |
| P4-ADMINISTRATION | | | | | |
| P4-TrusteesExpenses | 0 | 150 | 150 | 0 | 150 |
| P4-Salaries | 655 | 1,080 | 1,080 | 1,059 | 21 |
| P4-General Administration | | | | | |
| P4-Office Costs | 2,012 | 2,880 | 2,880 | 2,880 | 0 |
| P4-Consumables | 0 | 250 | 250 | 0 | 250 |
| P4-Financial Services | 35 | 100 | 100 | 35 | 65 |
| P4-Internet Services | 292 | 250 | 250 | 298 | -48 |
| P4-Meetings | 0 | 250 | 250 | 374 | -124 |
| P4-IT-Replacements {Desig} | 0 | 500 | 500 | 257 | 243 |
| P4-Other | 0 | 100 | 100 | 0 | 100 |
| | 2,994 | 5,410 | 5,410 | 4,903 | 507 |
| P9-ADVANCE PAYMENTS | | | | | |
| P9-PaymentsInAdvance | 0 | 0 | 0 | 100 | -100 |
| TOTAL PAYMENTS | 35,583 | 30,150 | 30,150 | 28,864 | 1,286 |
| NET RECEIPTS LESS PAYMENTS | 2,580 | 414 | 514 | 2,547 | 2,033 |

6.2. Categories Structure for Annual Financial Statements

| Receipts & Payments Account for the Financial Year Ended 31-Dec-15 | | | | | |
|--|---------------------------------------|------------------|------------------|---------------|---------------|
| | Current Financial Year, Jan'15-Dec'15 | | | | Last Year |
| | Unrestricted Funds | Designated Funds | Restricted Funds | Total | Total |
| | £ | £ | £ | £ | £ |
| RECEIPTS | | | | | |
| Voluntary Income | 5,414 | | | 5,414 | 3,134 |
| Income Generation | 0 | | 0 | 0 | 0 |
| Investment Income | 0 | | 0 | 0 | 0 |
| Charitable Income | 1,350 | | 24,488 | 25,838 | 35,029 |
| Advance Receipts | 0 | | 160 | 160 | 0 |
| TOTAL RECEIPTS | 6,764 | | 24,648 | 31,412 | 38,163 |
| PAYMENTS | | | | | |
| Costs of Generating Funds | | | | | |
| Fundraising | 0 | 0 | 0 | 0 | 0 |
| Charitable Activities | | | | | |
| Projects | | | | | |
| Safe At Home | | | 7,938 | 7,938 | 19,212 |
| Better Eating | | | 14,438 | 14,438 | 12,028 |
| Health Matters | | | 3,027 | 3,027 | - |
| Other Activities | 1,415 | | | 1,415 | 1,349 |
| Sub-total | 1,415 | 0 | 25,403 | 26,818 | 32,589 |
| Support Costs | | | | | |
| Governance | 0 | 0 | 0 | 0 | 0 |
| Salaries | 1,059 | 0 | 0 | 1,059 | 655 |
| Administration | 3,586 | 257 | 0 | 3,843 | 2,339 |
| Sub-total | 4,646 | 257 | 0 | 4,903 | 2,994 |
| Advance Payments | 0 | 100 | 0 | 100 | 0 |
| TOTAL PAYMENTS | 6,060 | 357 | 25,403 | 31,820 | 35,583 |
| NET RECEIPTS-PAYMENTS | 704 | -357 | -755 | -409 | 2,580 |

6.3. Movements in Funds

A statement of Movements in Funds is not required for Receipts & Payments accounts, but you might like to include one anyway.

| Movements in Funds for the Financial Year Ended 31-Dec-15 | | | | | |
|---|---------------------|--------------------|--------------------|----------------------|---------------------|
| | Bt'Fwd at 01-Jan-15 | Receipts in Period | Payments in Period | Transfers in Period | Cd'Fwd at 31-Dec-15 |
| Cash Assets | | | | | |
| Cash at Bank & in Hand | | | | | |
| Petty Cash | 38 | 0 | -9 | 100 | 129 |
| Bank, Current Account | 19,702 | 32,012 | -36,551 | -3,100 | 12,063 |
| | 19,740 | 32,012 | -36,560 | -3,000 | 12,192 |
| Investment/Deposit Accounts | Bt'Fwd | Deposits | Withdrawals | Net Transfers | Cd'Fwd |
| Bank, Deposit Account | 9,702 | 10,000 | -7,000 | 3,000 | 12,702 |
| Total Cash Assets | 29,442 | | | | 24,894 |
| Comprising: | | | | | |
| General (Unrestricted) Fund | 18,787 | 7,524 | -10,900 | 0 | 15,411 |
| Designated (Unrestricted) Funds | 850 | | -257 | | 593 |
| Restricted Funds | | | | | |
| Safe At Home | 2,072 | 8,082 | -7,938 | 0 | 2,217 |
| Better Eating | 7,734 | 12,500 | -14,438 | 0 | 5,795 |
| Health Matters | 0 | 3,905 | -3,027 | 0 | 879 |
| Total Restricted Funds | 9,806 | 24,488 | -25,403 | 0 | 8,890 |
| Total Funds | 29,442 | | | | 24,894 |

6.4. Statement of Assets & Liabilities

Receipts and Payments accounts are not required to include the full statements of assets, including creditors, debtors and other material assets, but it is required to show a simple summary of the charity's assets along the following lines.

| Statement of Assets & Liabilities as at 31-Dec-15 | | | | |
|---|--------------------|------------------|------------------|--------------------|
| | Unrestricted Funds | Designated Funds | Restricted Funds | Total at 31-Dec-15 |
| Cash Assets | 15,411 | 593 | 8,890 | 24,894 |
| Other Monetary Assets | 228 | | | 228 |
| Investments Assets | | | | None |
| Assets Retained for Own Use | 725 | 320 | 2,451 | 3,496 |
| Liabilities | | | | None |

Note: Assets retained for own use are shown at purchase price. The current (residual) value is unknown.

Cash Assets are immediately available cash, eg: Bank current & deposit accounts, petty cash, etc. The numbers included in this line should tally with the previous figures.

Other Monetary Assets are monies which are, or will be, due to the charity but have not yet been claimed, eg: Gift Aid, payments for goods/services delivered by the charity but not yet invoiced.

Investment Assets are things like stocks, shares, land or property held for investment/income.

Assets Retained for Own Use are physical assets, like computers, furniture, vehicles, building owned and occupied by the charity etc. Under Receipts & Payments account you are not required to depreciate the value of such items over time and regard the depreciation as an expenditure. In any case, the depreciation of such items may not be meaningful as the depreciated "value" often bears little relationship to the second-hand value of the item (ie: the money that could be got by selling the item). It is generally satisfactory to just indicate the price paid for the item(s) when purchased.

Liabilities are things that you know that your charity is going to have to pay (eg: a salary to an employee; a bill to a supplier) at some stage in the near future (usually within the next financial year).

6.5. Charity Commission Guidelines and Templates for Receipts & Payments Accounts

For fuller details of the Charity Commission's guidelines for the preparation of Receipts & Payments accounts see: <https://www.gov.uk/government/collections/receipts-and-payments-accounts-pack-cc16>

As well as guidance on what is required the pack also includes a template for the presentation of the Receipts & Payments accounts and the Statement of Assets & Liabilities in both PDF and MS-Excel spreadsheet format. The MS-Excel spreadsheet format is illustrated on the following page.

However, a number of the items in the spreadsheet will not be required for smaller charities with simple finances.



| | |
|---------------------------------------|-----------------|
| Charity Name | No (if any) |
| Receipts and payments accounts | |
| For the period from | To |
| Period start date | Period end date |

CC16a

Section A Receipts and payments

| | Unrestricted funds to the nearest £ | Restricted funds to the nearest £ | Endowment funds to the nearest £ | Total funds to the nearest £ | Last year to the nearest £ |
|---|---|--------------------------------------|-------------------------------------|---------------------------------|-------------------------------|
| A1 Receipts | | | | | |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Sub total (Gross income for AR) | - | - | - | - | - |
| A2 Asset and investment sales, (see table). | | | | | |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Sub total | - | - | - | - | - |
| Total receipts | - | - | - | - | - |
| A3 Payments | | | | | |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Sub total | - | - | - | - | - |
| A4 Asset and investment purchases, (see table) | | | | | |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Sub total | - | - | - | - | - |
| Total payments | - | - | - | - | - |
| Net of receipts/(payments) | - | - | - | - | - |
| A5 Transfers between funds | - | - | - | - | - |
| A6 Cash funds last year end | - | - | - | - | - |
| Cash funds this year end | - | - | - | - | - |

Section B Statement of assets and liabilities at the end of the period

| Categories | Details | Unrestricted funds to nearest £ | Restricted funds to nearest £ | Endowment funds to nearest £ |
|---|--|------------------------------------|----------------------------------|---------------------------------|
| B1 Cash funds | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | Total cash funds | - | - | - |
| | (agree balances with receipts and payments account(s)) | OK | OK | OK |
| | | Unrestricted funds to nearest £ | Restricted funds to nearest £ | Endowment funds to nearest £ |
| B2 Other monetary assets | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| B3 Investment assets | | Fund to which asset belongs | Cost (optional) | Current value (optional) |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| B4 Assets retained for the charity's own use | | Fund to which asset belongs | Cost (optional) | Current value (optional) |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| B5 Liabilities | | Fund to which liability relates | Amount due (optional) | When due (optional) |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| Signed by one or two trustees on behalf of all the trustees | Signature | Print Name | Date of approval | |
| | | | | |