

# Small Charity Support

Supporting & Facilitating Small Charities & Voluntary Organisations

Registered Charitable Incorporated Organisation, No: 1161963

## Trustees' Annual Report & Statement of Financial Activity for the Year Ended 30 June 2021

### Trustees

Daniela Amasanti De Bono

Herakles Koumoullou

Brian Seaton

Pauline Seaton

William Taylor

## Trustees' Annual Report & Statement of Financial Activity for the Year Ended 30 June 2021

---

### Contents

<b>1</b>	<b>Charitable Activities .....</b>	<b>3</b>
1.1.	“One Size Fits All” .....	3
1.2.	Website .....	4
1.3.	Governance & Management Support .....	5
1.4.	Guidance Literature .....	6
1.5.	Charity Accounts Made Easy .....	7
1.6.	Independent Examination of Charity Accounts .....	9
1.7.	Financial Reporting Issues .....	9
1.8.	Legal Issues .....	10
1.9.	Impact of the Covid-19 Virus Pandemic .....	11
<b>2</b>	<b>Achievements &amp; Performance .....</b>	<b>11</b>
2.1.	How the Public Have Benefitted. ....	12
2.2.	Contributing to Activities Run by Other Organisations .....	12
2.3.	Trustee Development .....	12
<b>3</b>	<b>Financial Review .....</b>	<b>12</b>
3.1.	Policy on Reserves .....	12
3.2.	Details of Any Funds Materially in Deficit .....	13
3.3.	Principal Sources of Funding and Outgoings .....	13
3.4.	Remuneration of Trustees .....	13
3.5.	Financial Status .....	13
3.6.	Statutory Statements on Liabilities .....	14
<b>4</b>	<b>Reference and Administration Details .....</b>	<b>14</b>
4.1.	Charity Name & Registration .....	14
4.2.	Charity’s Address .....	14
4.3.	Names of the Trustees Who Manage the Charity .....	14
4.4.	Names of Advisors & Senior Members of Staff .....	14
4.5.	Bank .....	14
<b>5</b>	<b>Structure, Governance &amp; Management .....</b>	<b>14</b>
5.1.	Type of Governing Document .....	14
5.2.	Charitable Objects .....	14
5.3.	Statutory Declaration .....	15
5.4.	Trustee Selection Methods .....	15
<b>6</b>	<b>Statement of Financial Activity .....</b>	<b>16</b>
6.1.	Independent Examiner’s Report on the Accounts .....	16
6.2.	Receipts & Payments Accounts for the Financial Year Ended 30-Jun-21 .....	17
6.3.	Notes to the Accounts .....	19
<b>7</b>	<b>Comments by Users of Small Charity Support’s Services .....</b>	<b>20</b>

# Trustees Annual Report and Statement of Financial Activity

## 1 Charitable Activities

### 1.1. "One Size Fits All"

A constantly recurring issue which shapes the activities of Small Charity Support is that of "what, exactly, is a 'small' charity?" (see website: [Charity Thoughts – How Small is "Small"?](#)).

Larger charities – by virtue of their size, public advertising, fund-raising campaigns, and (occasionally) misdemeanours – more readily attract public attention. So it is not surprising that there is a natural perception that most charities are run by a team of paid administrators and 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 management team are keeping properly to the charity's purposes and governing document.

But the reality is that 80% of registered charities in England & Wales (see 1.7) have annual incomes 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 that does not include the large number of small unregistered charities with incomes less than £5000/yr which are almost exclusively trustee led and run.

The high profiles of the minority of large charities creates a bias in the content and focus of both guidance and training materials for charities towards the issues and needs of those large charities and their paid employees.

This has created a "One Size Fits All" approach.

Consequently the content and focus of much of that guidance and training materials are, at best, "inappropriate" for the volunteer trustees and volunteers, and staff in the 80% majority of "small" charities.



#### 1.1.1. "Small 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 "*Small 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 "bureaucratic jargon" and "financial wizardry" in favour of simple, pragmatic language and practices which are both appropriate to the needs of small charities and which their typical volunteer trustees, volunteers and paid staff can understand and implement comfortably without the need for specialist professional training or expertise.

Since its creation Small Charity Support has been applying the "*Small 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 or professional expertise 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.);
- ✓ a "Charity Accounts Made Easy" open-source spreadsheet (with comprehensive user instructions) to manage small charity finances in a way that is straight-forward and intuitive without the need for professional bookkeeping and accountancy expertise.

All the guidance leaflets (of which there are now more than 40) and spreadsheets avoid as far as 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.

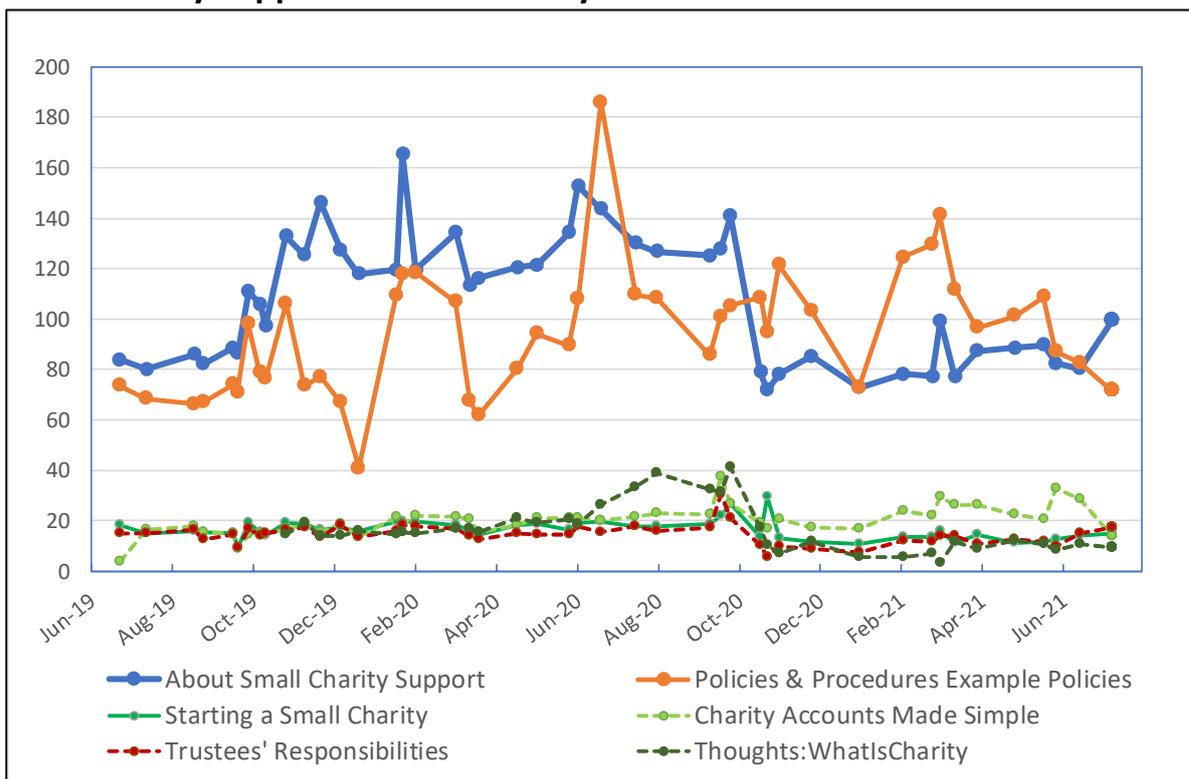
These consultancy services are also provided free of charge (though reimbursement of incidental out-of-pocket expenses may be claimed by prior agreement).

## 1.2. Website

Small Charity Support’s website – [www.smallcharitysupport.uk](http://www.smallcharitysupport.uk) – is its principal means of making its services known and available to its beneficiaries.

Most of the requests for support come initially by e-mail as a result of beneficiaries finding the Small Charity Support website by searching the internet.

### Small Charity Support Website – Daily Hit Rate



Internet searches for phrases like “Help for small charities”, “Support for small charities” and “Policies for small charities” general come up high on the list of search engine results.

The web page containing example policies for small charities consistently shows a hit-rate of around 5 times higher than other pages (other than the landing home page) and is one of the few pages where the hit rate in FYE-21 was higher (by +8.8%) than in the previous year – the other pages being Simple Accounts (by +15.8%) and, interestingly, Charity Thoughts – Should Private Schools be Charities? (by just +1.4%).

Hits on all other pages (including the “Home” page) during the year have fallen by between -15% and -50%. It is not known to what extent that was due to the Covid-19 pandemic.

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.

## 1.3. Governance & Management Support

During the period covered by this report, Small Charity Support received approximately 50 new requests for help with government and management issues. These covered a wide range of issues at a wide range of levels:

### 1.3.1. Simple operational issues:

This type of enquiry was small in number could usually be dealt with fairly quickly by an e-mail response taking from 20 – 60mins to prepare and send.

### 1.3.2. More difficult personality or management issues:

This type of enquiry constituted the majority of the requests for support and took longer to deal with. Responding to such enquiries typically involves an exchange of multiple e-mails, and sometimes (more frequently as a consequence of the Covid pandemic) telephone or on-line (eg: Zoom) virtual meetings.

A significant feature (often called USP – Unique Selling Point/Proposition – in the commercial sector) of Small Charity Support's activities is that it is able to engage with a beneficiary for a longer period of time than is usual for conventional help-lines.

At this level of enquiry, Small Charity Support's typical engagement time with one beneficiary is 2-6hrs, usually in a series of shorter e-mail/telephone/Zoom exchanges spread over 2-4 weeks.

### 1.3.3. Significant governance and/or management issues:

This type of enquiry – requesting help dealing with culpable, potentially illegal, misuse of their position for personal benefit by a trustee, or trustees, or senior employee (eg: CEO) – are, fortunately, rare.: Small Charity Support has only been asked for support in such situations on 7 occasions in the last 10 years. Responding to such requests is usually very demanding, requiring a substantial contribution of time – typically 100-200hrs – by the Principal Trustee.

In responding to such requests for support, the trustees are mindful that the role of Small Charity Support is NOT one of investigator or prosecutor.

Collecting and preserving relevant information/facts to pass on to the appropriate regulatory body is useful. But the primary responsibility of Small Charity Support is to assist those who have sought its help to pull the governance and management of their charity back into good order.

One such situation occurred in the course of the current reporting year.

As part of responding to the enquiry, the Principal Trustee agreed to support the new trustees (the previous trustees had, unexpectedly resigned *en masse*) in preparing replacement Trustees' Annual Report & Accounts and to re-examine those accounts in compliance with Charity Commission Directions. The issues revealed by the re-examination prompted the Principal Trustee to qualify the accounts and submit a 32-page statutory Statement of Causes for Concern. The new Trustees also submitted a statutory Serious Incident Report to the Charity Commission.

The Charity Commission responded to the Statement of Causes for Concern:

*"Thank you for the Statutory Report of Causes for Concern submission on 3 February 2021. The Commission appreciates the time and effort you have gone to compile and present the information."*

...but, notwithstanding a request from the new trustees, took no action against the previous trustees. The new trustees have successfully restored good governance and management to the charity. Small Charity Support's assistance is no longer required and has therefore come to an end. The Principal Trustee estimates that this engagement involved ca.150hrs of support over a period of ca.9months.

### 1.3.4. Requests for Help with Registering a New Charity

During the year Small Charity Support received ca.30 requests for assistance with completing a registration of a new charity or converting an existing unincorporated charity into a CIO.

As a long-standing matter of policy, Small Charity Support does not provide a “register your charity for you” service.

Inevitably, some of the requests for help with registration were ill-conceived from the outset and Small Charity Support was unable to contribute effectively.

However, about two thirds of requests came from people who had already submitted an initial application to register a charity and had it returned by the Charity Commission assessor with some queries, challenges and requests for clarification.

This is normal, rather than an indication of serious short-comings in the application – not least because it is entirely legitimate for the Charity Commission to request further information as a way of ensuring that the application is genuine and well thought out.

In most of those cases, Small Charity Support was able to help the applicant respond to those challenges resulting in a successful registration.

Supporting trustees with their responses to challenges from the Charity Commission typically involves 2-6hrs of guidance spread over 2-4 months

## 1.4. 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.

### 1.4.1. Charity Governance – Trustees’ Responsibilities

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 all trustees, with additional leaflets outlining the roles of 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.

### 1.4.2. 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.



### 1.4.3. Example Policies

A major problem, particularly for the 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  
Conflicts of Interest  
Financial Management  
On Becoming a Charity Trustee

Code of Behaviour  
Equal Opportunities  
Large Legacies & Donations  
Reimbursing Expenses & Purchases

Not surprisingly, the Examples Policies page is by far the most frequently visited page on the Small Charity Support website, often receiving more than 100 “hits” per day (see section 1.2).

#### 1.4.4. Starting a Small Charity

The leaflets in this group are designed for would-be trustees wanting to start a new charity. They complement most of the leaflets in the “Charity Governance – Trustees’ Responsibilities” section (1.4.1) and may also be useful as induction material for new trustees joining established charities.

The leaflets in this section include guidance on issues such as: defining the charity’s objects in accordance with the Charities Act; setting its intended outputs and outcomes; opening an appropriate bank account. But, unfortunately, earlier leaflets on how to complete the Charity Commission’s on-line application form have had to be withdrawn. That is because the on-line form has continuously been made much more inter-active (*ie*: the information requested varies in response to the way that previous questions have been answered).

That, in turn has had two consequences:

- (1) it is now impracticable to provide guidance on how to answer all the now myriad of possible combinations of questions in a single leaflet;
- (2) the Charity Commission does not announce when and how it is modifying its on-line application form making it impractical to monitor the form regularly to detect new changes.

Small Charity Support hopes to be able to create a more “universal” guidance leaflet outlining practical approaches to completing the form rather than specific answers.

### 1.5. Charity Accounts Made Easy

In previous years’ Trustees’ Annual Reports this section was titled “Charity Accounts Made Simple” or “Simple is Beautiful”. This has been changed as the use of the word “simple” was felt to be inappropriately patronising of small charities.

#### 1.5.1. The Background

All-too-often the requirement to produce “Annual Accounts” to submit to the Charity Commission becomes the “tail which wags the dog”. *ie*: producing “Annual Accounts” is seen as a bureaucratic irrelevance, serving no useful purpose other than to avoid getting a “red mark” in the Register of Charities.

**Small Charity Support’s concept is that financial accounting systems, particularly those intended for use by small charities, should be focused not on producing the statutory Annual Accounts but on enabling volunteer trustees and supporters, and paid staff where appropriate, to record the charity’s financial transactions and produce essential routine operational reports (eg: Budget, Cash Flow), quickly, easily and “in real time”.**

**In other words: it is the charity’s end-of-year Annual Accounts which should be just an additional incidental output item, not the charity’s routine financial operational reports.**

**The Small Charity Support “Charity Accounts Made Easy” spreadsheet, now used by dozens of small charities, clearly and unequivocally demonstrates that concept working in practice.**

#### 1.5.2. How it Works

- ✓ The spreadsheet was developed using Microsoft Excel®, but compatibility with other spreadsheets (in particular, the free & open-source LibreOfficeCalc®) 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 versions:
  - 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.

### 1.5.3. 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 now 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 operational financial data can SIMULTANEOUSLY produce the charity’s Annual Financial Reports in BOTH accruals and Receipts & Payments formats.

### 1.5.4. In Practice

The spreadsheet is not intended to be a fully functional “up and running out of the box” package, such as an organisation might purchase from a commercial software supplier.

Rather it is a practical working demonstration of the ideas outlined above – a “proof of concept” – which anyone with reasonable 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 to meet their own needs as they see fit.

The spreadsheet is 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. But 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 over 10 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 2020 there have been 27 new requests from small charities wanting to use the spreadsheet – a 50% increase on the previous year.

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.

## 1.6. 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 other provision of governance & management support, which is the main focus of Small Charity Support's charitable purpose.

Independent Examinations 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.

In addition, the Principal Trustee regularly participates in CPD (Continuing Professional Development) webinar, workshops and training courses on charity independent examinations run by the ACIE and other organisations.

## 1.7. Financial Reporting Issues

### 1.7.1. Accruals vs Receipts & Payments Reporting

Small Charity Support frequently gets requests for support from small charities that have experienced, or are currently experiencing, bad financial management practices (in some cases, without knowing it). That has led it to look in some detail at the current regulations and guidance for recording and reporting a charity's financial transactions.

There are two financial reporting options for charities – Accruals reporting and Receipts & Payments reporting.

During the current financial year Small Charity Support reviewed the financial reporting issues faced by the typical non-accountant trustees of "small" charities (incomes less than £250,000). The report, conclusions and potential solutions – supported by detailed evidence and working "proof of concept" examples – [Charity Financial Reporting Standards - Not Fit for Purpose ?!](#) – has been published on the "Charity Thoughts" page on the Small Charity Support website.

The full justification (35 pages long) can be downloaded by clicking [HERE](#).

The article was submitted (Nov-20) to the *Smaller Charities & Independent Examiners Strand* of the recent review of the SORP standards. The convenor responded (10-Jan-21):

*As agreed, I circulated this to other members of the engagement strand, and we had a short discussion at the last meeting. The general feeling was that, while the thrust of your concerns about the current provisions of the SORP very much chime with our own, the detailed solution you propose is more relevant for those smaller and non-company charities that are not subject to the SORP. It is of course revision to the SORP itself (which assumes compliance with FRS102) which is the focus of our discussions. On that basis, we did not feel that further discussion of your paper would add to our deliberations.*

*We are nevertheless grateful to you for sharing your paper with us, and hope that the SORP revisions to be made in due course will benefit smaller charities as we all hope.*



The Charity Commission seems to be of a similar opinion.

In a recent (25 May 2021) [letter](#) to the Financial Reporting Council, the Commission said:

*"The focus of accounting standards is very much on the interests of the providers of risk capital to for-profit businesses. Charities are established for the public benefit and not as owner managed for-profit businesses and, although welcome, the PBE paragraphs are proving insufficient in addressing the reporting needs of the users or charity accounts and avoiding for-profit orientated disclosures detracting from the quality and character of public benefit accounting and reporting."*

And The Third Sector magazine [reported](#) (21 July 2021) Caron Bradshaw, chief executive of the Charity Finance Group, as saying:

*"The government's drive to increase trust and transparency is to be welcomed by all. However, we need to break this long but flawed habit of shoehorning charities into regulation and legislation designed for the for-profit world to avoid the unintended and harmful consequences such an approach brings about for the third sector."*

## 1.7.2. Financial Advisors & Independent Examiners

Evidence of "...the unintended and harmful consequences ... of shoe-horning charities into regulation and legislation for the for profit world..." has long been clear from the Charity Commissions own reviews of charity accounts.

During the current year Small Charity Support dealt with two issues involving "less than satisfactory" preparation and independent examination of charity accounts.

One was the conclusion of a formal complaint to an accountants professional body which was eventually concluded – after 17 months – with the accountant being found to have failed to have acted appropriately and was reprimanded and fined.

The other (referred to in section 1.3.3) resulted in a statutory Report of Causes for Concern to the Charity Commission.

Small Charity Support has therefore revised its guidance leaflet on "[Choosing an Independent Examiner](#)", outlining the issues of which the non-accountant trustees of small charities should be aware. In particular, the leaflet now proposes that:

- (a) professional bodies (eg: ICAEW, ACCA, ICAS) should be instructing their members **NOT** to accept professional (ie: fee-paying) engagements to prepare and/or to Independently Examine charity accounts unless they have a relevant and properly accredited qualification such as a ACIE/FCIE (Associate/Fellow of the Association of Charity Independent Examiners) or DChA (Diploma in Charity Accounting); and
- (b) trustees seeking a financial advisor and/or independent examiner should explicitly specify that they should hold either (or both) an ACIE/FCIE (eg: via the Association of Charity Independent Examiners website) or a DChA.

## 1.8. Legal Issues

### 1.8.1. Legal Disclaimer

Towards the end of its previous reporting period, Small Charity Support was able to obtain some *pro bono* assistance from the charity LawWorks on a disclaimer advising users of its support services that it was not able to offer any kind of professional advice or opinion on legal or financial matters that would stand up in court in the event of a litigious dispute.

That disclaimer is now being included in all Small Charity Support guidance leaflets and on its website.

Small Charity Support is most grateful to LawWorks for its help and support in this matter.

### 1.8.2. Professional Indemnity Insurance

For some time the trustees of Small Charity Support have been concerned about the potential risk of litigation against the charity in the event that a beneficiary of the charity's support decided, either legitimately or vexatiously to take legal action against the Principal Trustee specifically or the trustees corporately.

Given the low annual turnover of Small Charity Support, the cost of appropriate insurance cover had previously been beyond the charity's means.

However, an application to the Wakeham Trust resulted in an unrestricted grant to cover the cost of appropriate insurance for a period of 5 years and Small Charity Support now has in place robust insurance for Professional Indemnity, Public Liability and other related claims.

Small Charity Support is most grateful to the Wakeham Trust for its generosity and support.

### 1.8.3. 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 (*ie*: Legitimate Interest). 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.

## 1.9. 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 required travelling to hold person-to-person meetings.

## 2 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.

## 2.1. 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 has not hitherto had the resources to conduct or commission in-depth, impartial reviews of its activities.

## 2.2. Contributing to Activities Run by Other Organisations

The Covid pandemic has meant that during the year there have been no “in-person” conferences and Annual General Meetings to which Small Charity Support has been able to contribute to. It has, however, participated in such events on-line where appropriate.

- Small Charity Week, Big Advice Day – FSI – 15 June 2021  
The Principal Trustee contributed 5 1-hr sessions during the day.
- Association of Charity Independent Examiners – 22 June 2021  
At the invitation of the ACIE, the Principle Trustee delivered a 1-hr webinar on “Charity Issues for Small Charities” in which he reviewed the most common issues in financial management and reporting being brought to Small Charity Support for support. This included the issue of inappropriate financial reporting procedures and Small Charity Support’s “Charity Accounts Made Easy” spreadsheet as “proof of concept” of how those issues could be addressed.

## 2.3. Trustee Development

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

During the Financial Year the Principal Trustee participated in 13 training workshops (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.

# 3 Financial Review

## 3.1. 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 (excluding the costs of Professional Indemnity Insurance, covered by a specific – but NOT restricted – grant).

At the time of this report Small Charity Support had funds significantly in excess of its current policy on reserves. The trustees will be prioritising consideration on how those additional resources can

best be used to expand its services to its beneficiaries in accordance with its charitable objects for the public benefit.

## 3.2. Details of Any Funds Materially in Deficit

The Charity has no funds which are materially in deficit.

## 3.3. Principal Sources of Funding and Outgoings

Small Charity Support's principal source of funds is private donations, both from individual supporters and from other small charities which it has supported.

During the current year it successfully applied to the Wakeham Trust for a grant to cover the costs of Professional Indemnity Insurance and other related insurance (see section 1.8.2).

It has not engaged in any fundraising activities in the current year to 30 June 2021.

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 insurance premiums, car mileage (charged at the 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.

### 3.3.1. Restricted and Endowment Funds

Small Charity Support has no Restricted or Endowment Funds.

### 3.3.2. 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.

Therefore the trustees – satisfied that the money did not come from any illegal source (eg: money laundering, terrorist activities or other criminal activities) has treated the deposit as abandoned and included it as other miscellaneous income to its general funds.

## 3.4. 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 (where claimed).

## 3.5. 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.

## 3.6. 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).

# 4 Reference and Administration Details

## 4.1. 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 for Gift Aid.

## 4.2. 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)

## 4.3. Names of the Trustees Who Manage the Charity

Brian Seaton (Principal Trustee); Daniela Amasanti De Bono; Herakles Koumoullous;  
Pauline Seaton; William Taylor

## 4.4. Names of Advisors & Senior Members of Staff

None

## 4.5. Bank

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ.

# 5 Structure, Governance & Management

## 5.1. 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.

## 5.2. 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.

### 5.3. 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.

### 5.4. 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.

Approved by the Trustees and signed on their behalf,



Brian Seaton, Principal Trustee

Date: 16 August 2021

## 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 2021 set out on pages 17 to 19**

##### 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

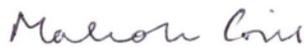
I have completed my examination.

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



22/08/2021  
Date

## 6.2. Receipts & Payments Accounts for the Financial Year Ended 30-Jun-21

	Current Financial Year, Jul'20-Jun'21			Last Year
	Unrestr'd Funds £	Restricted Funds £	Total £	Total £
<b>A1 - RECEIPTS</b>				
Voluntary Income	2,101		2,101	666
Income Generation	0		0	0
Charitable Income	0	0	0	0
Other Receipts	0		0	0
	<u>2,101</u>	<u>0</u>	<u>2,101</u>	<u>666</u>
<b>A2 - ASSETS &amp; INVESTMENTS</b>				
Sale of Assets	0		0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL RECEIPTS</b>	<b>2,101</b>	<b>0</b>	<b>2,101</b>	<b>666</b>
<b>A3 - PAYMENTS</b>				
Generating Funds	0		0	0
Charitable Activities	-36	0	-36	-34
Support Costs	-861		-861	-487
Othe Payments	0		0	0
	<u>-896</u>	<u>0</u>	<u>-896</u>	<u>-521</u>
<b>A4 - ASSETS &amp; INVESTMENTS</b>				
Purchase of Assets	0		0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PAYMENTS</b>	<b>-896</b>	<b>0</b>	<b>-896</b>	<b>-521</b>
<b>NET OF RECEIPTS-PAYMENTS</b>	<b>1,205</b>	<b>0</b>	<b>1,205</b>	<b>144</b>
<b>A5 - Transfers Between Funds</b>	0	0	0	0
<b>NET AFTER TRANSFERS</b>	<b>1,205</b>	<b>0</b>	<b>1,205</b>	<b>144</b>

### 6.2.1. Summary of Receipts & Payments Accounts

	Current Financial Year,			Last Year
	Unrestr'd Funds £	Restricted Funds £	Total £	Total £
Actual Funds Brought Forward	1,059	-	1,059	915
Movement After Transfers	1,205	0	1,205	144
<b>Total Funds Carried Forward</b>	<b>2,264</b>	<b>0</b>	<b>2,264</b>	<b>1,059</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	2,264			1,059
Net Payments in Advance	0			0
<b>Designated Funds</b>				
Set as Required	0			0
<b>Total Unrestricted Funds</b>			<b>2,264</b>	<b>1,059</b>
<b>Restricted Funds</b>				
Set as required		0		0
<b>Total Restricted Funds</b>			<b>0</b>	<b>0</b>
<b>Total Cash Funds</b>			<b>2,264</b>	<b>1,059</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			-462	-420
			<b>-462</b>	<b>-420</b>
<b>Net Cash Assets</b>			<b>1,803</b>	<b>640</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>2,264</b>	<b>1,059</b>
<b>Total Funds (net of liabilities)</b>			<b>1,803</b>	<b>640</b>

## 6.2.3. Disposition of Funds

The Charity has no restricted or endowment funds.

The Charity has one designated fund specifically for the payment of the monthly premiums for Professional Indemnity Insurance and other related insurance (eg: Public Liability, Trustees' Liability).

## 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: 16 August 2021

## 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 no reimbursement 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) **Money Owed by the Charity {Liabilities}**

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.

However, the stated liabilities include 2 outstanding payments for internet hosting services and 11 outstanding monthly payments for the annual Professional Indemnity Insurance cover.

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

The trustees have decided now to treat the deposits as abandoned and have incorporated them into the Charity's general funds.

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

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

*1 July 21*

Thank you - that is all INCREDIBLY helpful.

*17 June 21*

I wanted to say a huge thank you for your help this week. You gave us some great direction, and I feel much more confident about the remit of my role and of the Trustees moving forward. We also have lots to think about regarding our reserves. I didn't know your website existed before, but will definitely take a good look as I think there is more on there that can help us.

*7 June 21*

Thank you for this fantastic response, I am incredibly grateful for you offering such a comprehensive reply. I am sincerely grateful for your help, it has provided clarity for me in pulling this elusive final paragraph together

*3 June 21*

Thank you for taking the time to email back I really appreciate all the info you have sent!

*31 May 21*

Thank you so much for a very comprehensive and helpful reply which I truly appreciate. It is indeed complex. I have noted the further referrals you've made.

*21 May 21*

Thank you so much for your quick reply. And thanks very much for your comprehensive answer to my query, that is hugely helpful. It's really useful to know the options, and also why the 'in practice' approach differs from the 'theoretical' approach.

*19 May 21*

Thank you so much for your help today and sending this word document- this will be really helpful in moving forward with the application.

*16 May 32*

Thank you for your swift response. That is very helpful and the leaflets are great.

*7 May 21*

I'm the chair of a newish charity. I wanted to thank you for the sample policies that you have put up. It has made my life a hell of a lot easier!

*1 May 21*

Thank you so much for this thorough reply. This is very helpful indeed. I'll consider other models but will probably find that I can operate this, most simply, through my own account.

*30 April 21*

Thank you so much for your brilliant, helpful and detailed reply! This is just what our small working party needs as we felt overwhelmed by the bureaucracy of it all.

*28 April 21*

Thanks so much for your presentation on Monday which I think opened many eyes on how we can develop our Chart of Accounts to better serve our current and future needs. As ever, what you get out reflects what you put in and I think starting with that bottom up approach was illuminating for us.

*23 April 21*

Thank you so much for your reassuring guidance on our meeting on Wednesday. I for one felt a great sense of relief that there might be light at the end of the tunnel we've been in. I think your knowledge extends well beyond that of the 'man on the Clapham omnibus' but I understand the sentiment.

*22 April 21*

Firstly, I just wanted to say thank you for producing a very informative online resource which helps small charities as they begin their long journey in helping others.

*21 April 21*

Thanks for your very comprehensive, helpful, and generous reply. My experience completing the form is exactly as you stated which prompted my cry for help. Thanks also for the advice on charitable purposes.

*7 April 21*

Many thanks for our discussion yesterday, it was just what I needed to clarify the way forward.

*31 March 21*

Thank you for your prompt reply. It has been very useful and has pointed us in the right direction. Your help is very much appreciated.

*12 March 21*

On behalf of the Trustees, many thanks for your time last evening. We felt it a useful session and gives us plenty to go on so that we can move forward. So thanks for your helpful advice and insight.

*6 March 21*

You did an absolute amazing job today. Your presentation was excellent and very clear. It was brilliant that you could tell the members the facts, as I'm sure they wouldn't have accepted it from us alone. Also many many thanks for all your support to the charity to date, and for me personally, I am not sure i would have got this far without your guidance and advice.

*25 January 21*

Your website is a great resource that I'm very appreciative of. Thank you very much!

*14 January 21*

Thank you so much for your comprehensive response to my enquiry. I will certainly make enquiries with the trustees as to why we are a charitable company as opposed to a CIO. Your insights into the benefits of being a CIO and issues we may face going forward also provide food for thought.

*12 January 21*

Thank you for getting back to me so quickly, very much appreciated! It was very useful indeed.

*4 January 21*

Many thanks for your prompt reply - you have explained things well so it's clear.