

NWCH/LACVS – VCSE workshop

Accounts and finance
Rob Gavan – 24/09/2025



Eric Wright
Group



Accounts and finance - agenda

- Introduction
- Regulatory requirements for charities
- Financial statements
- Budgeting and cash flow forecasting
- Claiming gift aid
- Questions



Introduction

Rob Gavan – Group Finance Manager

- Accounting and finance degree
- ICAEW qualified accountant
- Work experience - EY London
- 11 years - RSM Preston
- Audit/tax/accounting
- Specialised in Charity & Academy audits
- 3 years – head of finance committee and vice chair Academy Trust



Regulatory requirements for charities

- **Annual return**
- All charities in England or Wales must submit an annual return to the charity commission online within 10 months of the financial year-end.
 - Income below £10,000 need to report income and spending totals.
 - Income between £10,000-£25,000 you must answer questions about the charity.
 - Income over £25,000 you must answer questions about the charity AND you will need to submit accounts which must have been checked.
- Providing income is below £1m (and gross assets below £3.26m) you can choose between:
 - Independent examination – ‘light touch’.
 - Statutory audit – full review of the financial statements.

Financial statements

**Financial
statements
preparation**

Charities SORP

Companies Act 2006 (for
registered companies)

Cash vs Accruals basis

Table 2: Statement of financial activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior period Total funds	Further details
	£	£	£	£	£	£
Income and endowments from:						
Donations and legacies						A1
Charitable activities						A2
Other trading activities						A3
Investments						A4
Other						A5
Total						
Expenditure on:						
Raising funds						B1
Charitable activities						B2
Other						B3
Total						
Net gains/(losses) on investments						B4
Net income/(expenditure)						
Transfers between funds						C
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets						D1
Actuarial gains/(losses) on defined benefit pension schemes						D2
Other gains/(losses)						D3
Net movement in funds						
Reconciliation of funds:						E
Total funds brought forward						
Total funds carried forward						

Table 5: Balance sheet

Note ref.		Total funds	Prior year funds	Further details
		£	£	
	Fixed assets:			A
	Intangible assets			A1
	Tangible assets			A2
	Heritage assets			A3
	Investments			A4
	<i>Total fixed assets</i>			
	Current assets:			B
	Stocks			B1
	Debtors			B2
	Investments			B3
	Cash at bank and in hand			B4
	<i>Total current assets</i>			
	Liabilities:			C
	Creditors: Amounts falling due within one year			C1
	<i>Net current assets or liabilities</i>			
	<i>Total assets less current liabilities</i>			
	Creditors: Amounts falling due after more than one year			C2
	Provisions for liabilities			C3
	<i>Net asset or liabilities excluding pension asset or liability</i>			
	Defined benefit pension scheme asset or liability			C4
	Total net assets or liabilities			
	The funds of the charity:			D
	Endowment funds			D1
	Restricted income funds			D2
	Unrestricted funds			D3
	Revaluation reserve			D4
	Pension reserve			D5
	<i>Total unrestricted funds</i>			
	Total charity funds			

Claiming gift aid

There are special rules when claiming gift aid on:

- funds from sponsored challenges
- charity membership fees
- church collections
- selling goods on behalf of individuals
- charity events/auctions
- volunteer expenses
- funds raised through charities involved in running schools

You cannot claim gift aid on donations:

- from limited companies
- made through Payroll Giving
- that are a payment for goods or services
- of shares
- from charity cards/vouchers
- of membership fees to CASCs
- you received before you were a recognised charity or CASC

Links to guidance

- Annual return:
 - <https://www.gov.uk/guidance/prepare-a-charity-annual-return>
 - <https://www.gov.uk/government/publications/charity-annual-return-2025-question-guide/charity-annual-return-2025-question-guide>
- Financial statements:
 - <https://www.gov.uk/prepare-charitys-annual-accounts>
 - <https://www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-november-2016-cc15d/charity-reporting-and-accounting-the-essentials-november-2016-cc15d--2>
 - Cash basis:
 - <https://www.gov.uk/government/collections/receipts-and-payments-accounts-pack-cc16>
 - Accruals basis:
 - <https://www.gov.uk/government/collections/accruals-accounts-pack-cc17-sorp-frs-102>
- Gift Aid guidance:
 - <https://www.gov.uk/claim-gift-aid/what-you-can-claim-it-on>

Thank you for
listening...

Questions??

