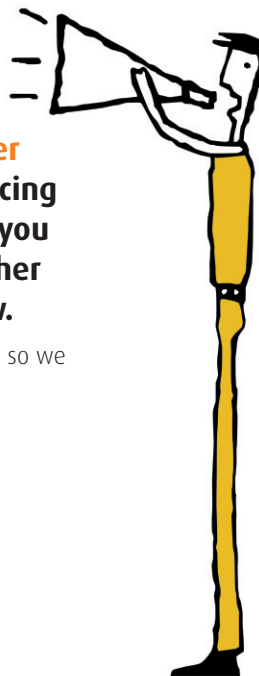


Welcome



Welcome to Plummer Parsons' **first Charity Newsletter** dealing with useful and relevant topics and issues facing most charities in the UK today. Please let us know if you would like any subjects to be covered or require further information about some of the topics included below.

Please pass on this Newsletter to others and advise us of their e-mail address so we can send future issues directly to them.

Useful Websites

www.charity-commission.gov.uk

www.cabinetoffice.gov.uk/third_sector.aspx

(Visit this site and find out more about the new Plain English Guide 'Charities Act 2006 - What trustees need to know' and 'New guidance on CRB checks for volunteers')

www.institute-of-fundraising.org.uk

useful information about fundraising.



Do people know you are a charity?

The Charities Act 1993 requires most registered charities to state their charitable status on certain documents. Once your annual income is more than £10,000 or is expected to rise to £10,000 in the near future, you are required to state your charitable status on the following documents:

1. Cheques, invoices, receipts, bills and orders for goods. Banks should not charge for inserting the statement 'Registered Charity' on chequebooks.
2. Headed notepaper, advertisements etc. It is also recommended that you indicate your charity number on your headed notepaper. Charitable companies must also show on all business letters and order forms:
 - company name, place of registration (eg England and Wales) and registration number.
 - address of its registered office.
 - the fact that it is a limited company if it is exempt from using the word "limited" in its name.

Gift Aid: New Changes



Charities claimed £830 million under Gift Aid in the tax year 2006/07. The Government is trying to simplify procedures and increase the take-up of the relief. From 6 April 2008 the basic rate of tax fell from 22% to 20%. Unfortunately, this meant that the amount claimable under Gift Aid fell from £0.28 per £1 donated to £0.25 per £1 donated. To compensate for this reduction in tax relief, the Government is allowing Gift Aid tax claims to be at the old rate of 22% for the tax years 2008/09, 2009/10 and 2010/11.

This transitional relief can only be claimed up to two years after the relevant tax year ie after 5 April 2013 no transitional relief can be claimed whatsoever. Make sure you claim your transitional relief before the deadline passes. Do you know that higher rate donors can claim additional income tax relief on their Gift Aid payments? Better still, increased tax relief is available if donors gift to your charity their stock market investments. Please contact us for further information.

N.B. The Revenue's Audit Unit has the right to inspect your claims and records- make sure everything is in order.

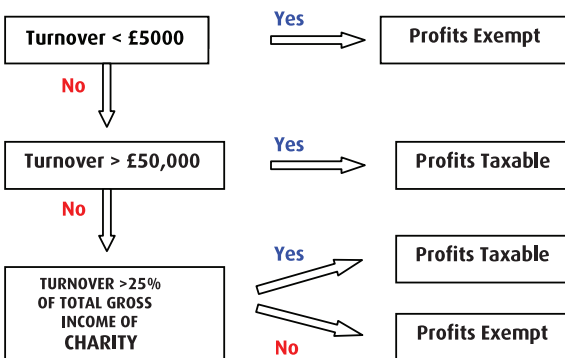


Is Your Charity Trading?

Primary purpose trading is free of any taxation liability. However, should you be paying tax on any of your other trading profits? Check out on the flowchart below and if the answers are:

- a) 'Profits exempt' your charity does not have to pay any tax,
- b) 'Profits taxable' your charity should be taxed on the trading profits.

To avoid your charity having such a taxation liability, have you considered having all trading activities conducted by a subsidiary company wholly owned by the charity? Please contact us for more information about this.



Networking for Charities?

Are you interested in meeting with others involved in the charity sector to share ideas – and worries?

Following the success of our charity seminars earlier this year we are considering arranging a networking evening later this year. Please let us know any issues you would like added to the agenda.

Trustees' Report

Some experts consider this to be the most important part of a set of accounts. Think carefully about it and ensure it includes all the following matters as set out in SORP 2005:

- a) **General Details of the Charity, Trustees, Advisers etc.**
- b) **Structure, Governance and Management.**
- c) **Objectives and Activities.**
- d) **Achievements and Performance.**
- e) **Financial Review.**
- f) **Plans for the future.**
- g) **Fund held on behalf of others.**

Next Time

What are you doing about "Public Benefit"? Are you aware of the issues, your responsibilities? Do the trustees of your charity know they have to report on this all important matter?

Please address all enquiries, responses and other issues raised by this Newsletter to:
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