

Charity Insight

September 2019

HAWSONS CHARTERED ACCOUNTANTS



In this issue:

- Charities Aid Foundation gave a record £646m to charities in 2018/19
- Charities warned to prepare for no-deal Brexit
- Charity tax improvements could unlock greater levels of giving
- New layer of anti-money laundering regulations set to hit thousands of charities

Introduction

Welcome to our Charity Newsletter



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A handwritten signature in dark ink that reads "Simon".

Welcome to our Autumn charity newsletter. Summer holidays now seem a distant memory as we rapidly head towards the cold winter months. The economy remains buoyant despite the unknown frontier approaching with the imminent Brexit deadline. However the vast majority of charities we see are knuckling down to focus on what they are good at and on factors within their control.

We hope you find the articles herein of interest. As ever, please do get in touch if you would like further information.

Specialist charity accountants

At Hawsons we recognise that not-for-profit organisations have very different requirements from other businesses and are currently exposed to a challenging economic climate.

Our dedicated team fully understands the complex, ever-changing regulatory requirements of the charity and not-for-profit sector. Irrespective of your size we wish to support you to maximise the benefits you could achieve through our specialist professional advice.

Charities & not-for-profit organisations are currently facing extensive changes in their regulatory and legal framework. Given the additional pressures on fundraising, complex tax regimes, internal risk exposure and stakeholder demands, it has never been more important to obtain specialist professional advice.

Charities Aid Foundation gave a record £646m to charities in 2018/19

The latest figures show that the Charities Aid Foundation (CAF) gave £141m more to charities than last year, a 25% increase from 2017/18.

Donations in the American Donor fund increased by 23% to £86.9m. Giving by business increased to more than £92m, a 30% increase, and donations to CAF charitable trust were £170.8m. However, total donations made to CAF only increased by 2%. This is because both CAF Donate and CAF (Give As You Earn) GAYE schemes showed a decline on the previous year.

For more information [click here](#).

Key statistics:

- CAF gave a record £646m to charities this year a 25% increase from last year.
- Giving by business increased to more than £92m which is 30% increase.

Sir John Low chief executive of CAF said, “At CAF, we take great pride in helping to ensure those donations reach people across the UK and beyond. Without that incredible spirit of generosity reflected in the UK and around the world, and in the phenomenal record of CAF America in particular, all of that giving simply would not be possible.”

Simon Bladen at Hawsons Chartered Accountants had this to say “To see such a remarkable increase in charitable giving over just one year is impressive. In particular when you consider the current economic and political uncertainty. This goes to show the importance of charities in today’s ever changing world.”



New layer of anti-money laundering regulation set to hit thousands of charities

It has been reported that a large number of charities could face administrative bureaucracy from the government as they bring in new anti-money laundering regulations. The Fifth Money Laundering Directive could force all registered charities to sign up with the government's new trust and registration service (TRS).

The rules around TRS state that charities must provide up to date information about their beneficial owners – settlor, trustees, protectors, beneficiaries and any “other natural person exercising effective control of the trust”.

It should be noted that, unlike its predecessor, the fifth directive applies to all ‘express trusts’ and not just those liable to tax. The ICAEW have already expressed their concerns on the extension of scope to include express trusts and have sought further clarification. The Institute have urged the government to consider application of the fiscal definition of settled property to express trusts to reduce the scope of registration.

Given the issues found by the previous directive, this will be of concern to many charities, and if not handled correctly could result in disproportionate administrative burden on trustees and companies. The impact could be for reaching, impacting on charitable trusts, unincorporated associations and potentially incorporated charities who hold trusts as restricted funds or endorsements.

How can we help

If you are worried about how this may affect you or your charity, Hawsons expert charity accountants are here to help. We have a team of dedicated accountants at our offices in Sheffield, Doncaster, and Northampton.

If you would like more information about our charity accountants [click here](#).

If you would like to contact us and book your free initial meeting [click here](#).



Charities warned to be prepared for no-deal Brexit

The National Council for Voluntary Organisations (NVCO) are urging the new minister for civil society to make sure charities are not ignored and receive the funding they need to prepare for a no-deal Brexit.

After the decision to prorogue parliament was made at the end of August, professional bodies for the voluntary & charity sector have warned charities to prepare for the worst possible outcome which they believe would be a no deal Brexit. The main reason for the announcement is because forthcoming research from the Charity Finance Group (CFG) is suggesting that 75% of charities have made little or no preparation for a no-deal Brexit.

Caron Bradshaw, chief executive officer at CFG said in her own blog post: "It's understandable that this is the case because we all know how detrimental to planning such high levels of uncertainty and volatility are. But we must step up our preparation and government needs to provide support for the sector."

Charity tax improvements might unlock more people giving to charity

According to a new report from the Charity Tax Commission led by the former chairman of the Inland Revenue (Sir Nicholas Montagu), tax reliefs offered to UK charities are in urgent need of an overhaul. The new proposal aims to ensure that charities increase their income by spending less on administration and making donating far quicker and easier.

Sir Nicholas Montagu has said "Today, charitable tax breaks are worth a total of around £5bn a year. The question is whether the current rules, regulations and reliefs behind this do everything they can to support the brilliant work of our charities and amplify the kindness of our fellow citizens."
For more information [click here](#).

One of the key proposals is to enable higher rate tax payers to pass their tax relief onto their chosen charities more easily. They believe this could raise at least a further £250m for good causes every year. The report also suggests the formation of a central database where users can create a single enduring universal declaration covering gifts to charities.

How we can help

At Hawsons Chartered Accountants we have a team of specialist charity accountants based at our offices in Sheffield, Doncaster, and Northampton. Our team fully understands the complex, ever-changing regulatory requirements of the charity and not-for-profit sector.

If you would like to book your free initial meeting with us [click here](#).

If you would like to see more information about our charity accountants [click here](#).

Get in touch...

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Why do I need to sign up...again?

Due to the new General Data Protection Act (GDPR), that came into force in May 2018, we need confirmation that you are still happy to receive our updates, newsletters and events.



What do I need to do?

Just fill in your details to confirm that you still want to receive our updates, events and newsletters. It only takes a minute, and will mean you stay in touch with us:

<http://www.hawsons.co.uk/newsletter/>



Anything else?

Not at all! Although...you can follow us on social media to stay even more up to date with everything that we're up to here at Hawsons.

