



Charity News

June 2022

Welcome to our new-look issue of Charity News, we hope you enjoy it.

Just as we reached a respite in the pandemic, the world appears to have fallen into another set of problems. The war in Ukraine and the economic turmoil that has ensued has created issues for the entire economy. This edition touches on some of this – including the implications of Chancellor's spring statement for the sector. There is also useful research on the current key challenges for Trustees and advice on raising funds for Ukraine.

We hope you find this edition helpful. If there are any questions arising from any of these articles – your local not for profit representative would be pleased to discuss them with you further.

Alternatively you can contact: james.gare@monahans.co.uk or fiona.westwood@monahans.co.uk



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ICAEW and Charities Aid Foundation research

The ICAEW and the Charities Aid Foundation have undertaken some useful research into the challenges and opportunities Charity Trustees, unsurprisingly Financial resilience and digital – both rank highly.

Kids Company – Charity Commission concludes its investigation

The Commission originally opened its enquiry to the Kids Company failure in 2015 and finally published its final conclusions in February this year.

Despite a High Court ruling which cleared the Trustees and Chief Executive and praised them for their efforts, the Commission has come to a different conclusion, concluding that there was mismanagement within the charity. There was a particular emphasis on the fact that the Trustees failed to build adequate reserves. James Gare, in conjunction with the Wiltshire Community Foundation and the Platform Project has produced a short video on how to approach reserves management, which charities might find helpful.

Charity Commission guidance on raising funds for the Ukraine crisis

The Charity Commission has produced some guidance for key issues to consider in relation to the unfolding crisis in Ukraine. The advice includes complying with financial sanctions and things Charities need to consider when raising funds or assisting with the humanitarian crisis.

The spring statement

The Chancellor of the Exchequer Rishi Sunak delivered his spring statement to parliament on 23 March. A number of key announcements were relevant to the not for profit sector. This included:

- Transitional arrangements for Gift Aid, in light of the anticipated drop in income tax in April 2024. A 3 year transition period is planned to maintain gift aid relief at 20% until April 2027.
 - The government is introducing a time-limited VAT zero rate for the installation of energy saving materials (such as solar panels) from April 2022. Furthermore there will be green reliefs for business rates for eligible plant and machinery used for on-site renewable energy generation.
 - The National Insurance employment allowance will increase from April 2022, meaning that employers who are eligible for the scheme can reduce their NI bill by up to £5,000 per year.
- The Charity Tax Group has produced a comprehensive analysis, while many charities have publicly derided the statement as bitterly disappointing.

Online sales tax

The Treasury is considering a proposal for a new online sales tax to address the imbalance in the retail sector. Although primarily aimed at catching larger international players such as Amazon, this could impact the charity sector. The government consultation is requesting feedback by 20 May and the Charity Tax Group is soliciting responses from the Sector to better focus their response.





Free office space in Bristol for a year

Ethical Property is offering the chance for 'purpose and cause' related start ups free office space for a year at its offices at Streamline at Paintworks – Bristol. Entry is via an online survey which takes 5 minutes to complete.

Grant funding opportunities

The Wolfson Foundation launches £2m fund for improving sustainability. The Wolfson Foundation award grants to support and promote excellence in education, science and medicine, heritage, humanities and arts as well as health and disability

Remote meetings

During lockdown many charities have moved their meetings to a virtual setting, however they will need to ensure that their governing document allows them to do this, if they are planning to carry on after April 2022. There Charity Commission has also updated its Covid advice page to reflect this.

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