

Company number: 06462220
Charity number: 1122297

The Small Charities Coalition

Report and Financial Statements

1 June 2016 – 31 May 2017

The Small Charities Coalition

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For the year ended 31 May 2017

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The Small Charities Coalition

Reference and administrative details

For the year ended 31 May 2017

Company number 06462220

Charity number 1122297

Registered office and operational address Unit 9/10, 83 Crampton Street, London, SE17 3BQ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Stephen Elsden	Resigned 13/12/17
Dr Suzanne King	
Kirsty Marrins	
Judith Miller (Treasurer)	
Simon Hebditch (Chair)	Resigned 13/10/16
D'Arcy Myers	Resigned 13/10/16
Zoe Willems	Resigned 13/10/16
Peter Barrow	Appointed 13/10/16
Madeleine Cassidy	Appointed 13/10/16
Julia Kaufmann (Chair)	Appointed 13/10/16
Steven Kirkpatrick	Appointed 13/10/16
Ciaran Price	Appointed 13/10/16
Alex Smith	Appointed 13/10/16
Alice Doyle	Appointed 13/10/16, Resigned 17/01/17

Company Secretary Judith Miller from 01/01/15 to present

Senior staff John Barrett, CEO until 28/07/17
Mandy Johnson, CEO 31/07/17 until present

Bankers CAF Bank
25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA

Independent Examiner Eric Southwick
Eric Southwick & Co
Chartered Accountants
51 The Avenue
SEAHAM
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The Small Charities Coalition

Report of the Trustees

For the year ended 31 May 2017

The Trustees present their report and the independently examined financial statements for the year ended 31 May 2017.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (Charities SORP FRS 102).

Structure, governance & management

The organisation is a charitable company limited by guarantee, incorporated on 2 January 2008 and registered as a charity on 14 January 2008. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work for the 12 months in the year ending 31 May 2017. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

During the year the charity reviewed its terms of office of trustees and ran a trustee recruitment process as a number of trustees were stepping down from the board. These included the Chair of trustees, Simon Hebditch. Seven new trustees were appointed to the board in October 2016, including a new Chair, Julia Kaufmann OBE. The recruitment process consisted of open advertising, shortlisting followed by a formal interview process. Trustees will usually serve for 3 year terms and may be re-appointed for a second term.

Objectives and activities

The Small Charities Coalition (SCC) exists to benefit small charities in the UK. Our definition of a small charity is any charity, registered or un-registered, that has an income of less than £1 million per year. Our indirect beneficiaries are the thousands of end-user beneficiaries that gain from the improved performance of the small charities that serve them. The trustees are therefore satisfied that SCC ensures its work is in the public benefit.

Our vision is of a strong, well equipped and more confident small charity sector, valued for the positive difference it makes in society. Our 2015-18 strategy and business plan states the following objectives:

1. **To collaborate and build partnerships in support of small charities:** We will harness the skills and resources of our members and partner organisations to deliver a range of affordable and accessible services that create connections, broker opportunities and build organisational capacity. These services include networking, training, mentoring, advice and information.
2. **To champion the role and impact of small charities:** We will champion the role and impact of small charities in society. We will give them a voice that is heard by politicians, regulators and the media so that they are recognised, valued and supported.
3. **To grow membership and build a community of support:** We will encourage more small charities to join SCC, to expand our community and help all our members to be stronger and better equipped to make a difference in society.

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Report of the Trustees

For the year ended 31 May 2017

4. To build better sustainability: We will strive to be sustainable, to safeguard the support we provide and to keep our services accessible and affordable.

Charitable Activities in the past year

Objective 1: To collaborate and build partnerships in support of small charities

a) Mentoring

We match small charities with volunteers who have the experience, skills and knowledge to mentor them (coach, advise, support) in a whole range of areas and subjects; the most in-demand being fundraising strategy and business planning. The support is free and lasts for an average of 4.5 months. During the year we have:

- Created 103 new mentoring matches (78 in 2015/16) and sustained 129 throughout this period.
- Recruited 133 new volunteer mentors. Our mentors came from a diverse group of sectors including larger charities, consultancies, founders of small charities, civil servants and corporate employees.
- The mentoring matches delivered an average of £480 worth of free consultancy per charity, which totals £55,200 worth of support for the charities involved.

We send evaluation surveys to both the supporter and the charity at the end of each match asking about the success of their mentoring experience and the quality of service they received. Of those that fed back on their match:

- 92% were likely to recommend what they indicated as a 'good' or 'very good' service.
- 76% experienced an increase in skills.
- 70% felt their charity had become more resilient because of the support.
- 82% felt more confident in their roles and ability to apply their learning.

Six months after the mentoring match has ended we follow up again to find out whether the mentoring support has had any further impact. Of the charities that responded:

- 86% of charities reported an increase of knowledge and skills.
- 71% still felt an improvement in their charity's resilience and capacity.
- 100% had more awareness of their own roles and responsibilities.
- 71% have stayed in contact with their mentor illustrating the ongoing support this service provides.

b) Training Programme:

Our training and events programme provides affordable, accessible and quality training for small charities. Our unique model allows us to keep costs low by utilising the generous support of our volunteer supporters and partner organisations to deliver and host a whole range of workshops including good governance, financial management, impact measurement and fundraising strategy. Thanks to the continued support and funding from the Westminster Foundation we were able to expand our programme and deliver more workshops across the country. Highlights over the year include:

- Delivering 72 training workshops (52 in 2015/16) attended by 978 attendees (761 in 2015/16).

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Report of the Trustees

For the year ended 31 May 2017

- We delivered 21% of our workshops outside London and the southeast, taking in locations such as Chester, Manchester, Liverpool and Leeds.
- The full programme delivered training at an estimated total market rate value of £212,298 (£197,435 in 2015/16).
- We continued to work with long-term partners such as IBM and International Fundraising Consultancy but 2016/17 saw a real expansion in the range of partners and their expertise being shared with small charities. These include TSB, Localgiving, Nesta, Fraud Advisory Panel, MoneyTree and Wellcome (formerly Wellcome Trust).

On average across the programme, attendees reported the following improvements (out of 10) before and after the training: 7 to 9 in confidence; 5 to 8 in skills, knowledge and know-how and 5 to 8 in organisational resilience; illustrating the tangible difference our training makes for small charities, training they would otherwise unlikely attend.

c) Information and Guidance:

Our helpline service offers free information and guidance to small charities that are experiencing difficulties. On average, over 70% of queries are governance focused with at least 30% of queries regarding starting a charity. During this past year we have:

- Responded to 815 telephone and email enquiries (835 in 2015/16).
- We recruited 10 remotely based volunteers to deliver one-off guidance to charities seeking help through this service.
- We collaborated with seven organisations that offer free advice to small charities via our referral service. They were Reach, Thomson Reuters Foundation's TrustLaw, Coalition for Efficiency and Volunteering Matters' Measuring the Good Programme, Ethical Property Foundation, Charity IT Association (CITA), Big Society Capital and Pro Bono OR.
- We collated 300+ new, accessible and small charity tailored online resources.

d) Partnerships:

Developing and maintaining our extensive network of partners and collaborators (individuals, charities, business, and public sector) is integral to our service models and our ability to meet growing demand. Our business development and partnerships manager seeks and develops relationships to the benefit of our members and the sector more widely, resulting in a better supported and better connected small charity sector. Examples of new partnerships developed over the year are:

- Training venues provided by Chester Voluntary Action, BT, Salesforce, Blackbaud, Frazer Jones, Hays Recruitment and hlw Keeble Hawson.
- Advice and learning sessions provided by organisations such as Wellcome, UNICEF UK, Crowd Skills and Platypus.
- Product partnerships developed with the likes of Marler Harley (free promotional banners) and Catch Creative (online marketing aid and digital marketing planning).

Objective 2: To champion the role and impact of small charities

Our policy and engagement work ensures small charities are aware of policies and changes affecting them with the aim of influencing existing systems and practices to make them simple, proportional and supportive for small charities.

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For the year ended 31 May 2017

In December 2015 we received one year pilot funding from the Lloyds Bank Foundation for England and Wales. In March 2017 a two year grant was confirmed to continue this work in recognition of the progress made – particularly by our Policy and Engagement Manager – and the work still to be done. Highlights from the past year include:

- We were invited to provide oral evidence to the Lord’s Select Committee on Charities Inquiry alongside NCVO and ACEVO. A written consultation response to the inquiry was also submitted. In the final report, small charities were mentioned 200+ times and the Small Charities Coalition was recognised for our contribution to this inquiry and our wider policy work.
- We strengthened cross-sector partnerships with other infrastructure bodies, academics and began to explore more policy related partnerships with businesses and corporates such as TSB. This relationship led to our post-holder being invited to sit on the panel regarding supporting local charities with TSB at the Labour Party Conference in September 2016.
- In response to our consultation feedback, the Fundraising Regulator carried out an impact assessment and discovered 300 small charities would be subject to their proposed levy which they had previously been unaware of. They introduced a proportionate pricing scale as a consequence.
- We worked in partnership with NCVO, CFG, Clinks, Third Sector Resource Centre, Cranfield Trust and issue-based cross sector groups on lobbying, tax, dormant assets, governance, budget proposals, gift aid, grants and contracts and research as part of policy scoping to ensure small charity policy issues are heard by decision-makers, especially around finance and regulation.
- We worked in partnership with nine other sector bodies to produce a joint letter to all parties campaigning in the 2017 General Election to voice the needs of the charity sector. We have also collated and shared guidance for small charities on what they can and cannot do during the run up to an election in response to requests from members for support in this area.

Objective 3: To grow membership and build a community of support

The number of small charities and their staff teams (paid, volunteers and trustees) joining the Small Charities Coalition continued to grow. By the 2017 year-end we had 8,290 individual members representing 7,867 small charities i.e. 607 new individual members across the year. Our membership remains incredibly diverse with most cause types and geographic locations represented from within our membership. However our membership still only represents 4.4% of all the registered small charities in England and Wales (and an even smaller percentage of unregistered charities) and so reaching our 2018 target of 10,000 members remains a priority.

Objective 4: To build better sustainability

A key priority in our 2015-18 business plan was to diversify our income streams and become less reliant on charitable grant (‘grants’) and core income. By year-end 2018, we were targeting earned income to represent over 50% of total income (37% in 2016-17). Although by year-end 2017, our earned income represented just 16% of total income (84% grants) in real terms we saw both grant income and earned income increase by 110% and 30% respectively. As a result, we have revised our year-end 2018 target to represent 62% grant income and 38% earned income of total income. Although these figures represent a slight reversal against the targets set in the 2015-18 business plan, we were encouraged by the overall growth and mix between core and project grant income, and the mix of earned income we received.

Going forward we are excited to develop the charity’s earned income potential, citing the additional skills of new board members and a new CEO to catalyse this change. Our business development and partnerships manager continues to balance the day-to-day demands of coordinating the many partnerships needed to deliver our support models, whilst also looking to maximise returns on commercially viable opportunities.

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Report of the Trustees

For the year ended 31 May 2017

Future plans and changes

1. **Change of CEO:** After 10 years at the charity (the last three as CEO) John Barrett is stepping down from the charity on 28 July 2017. The Small Charities Coalition trustees began the process of recruiting a successor in January 2017 and concluded this process in May 2017 with the appointment of Mandy Johnson as the new CEO. Mandy starts on 31 July 2017 with a short handover period beforehand.
2. **New financial year:** In January 2017 the Small Charities Coalition trustees voted to amend the charity's accounting period to a more traditional April to March, starting from 1 March 2018. To accommodate this change our 2017-18 financial year is 10 months long.
3. **New strategy:** As we enter the final year of our current 2015-18 strategic period, the board and staff team will begin the strategic review process that will inform a new strategy and business plan. The trustees held their first strategy away day in June and the process will continue once the new CEO is in post.
4. **10 year anniversary:** January 2018 marks 10 years since the Small Charities Coalition registered as a charity in England and Wales. The charity will mark this milestone with member events and announcements throughout 2018.
5. **Community Portal project:** The Community Portal project is our website, CRM and customer portal development project, partly funded by The Legal Education Foundation. The aim of the project is to create efficiencies within service deliver to meet the scale of demand our services experience. The systems will make it easier for charities to self-serve and collaborate, bringing members, partners and supporters closer within one environment. The project is due to launch by autumn 2017.
6. **Membership:** We are 1,710 individual members short of our 10,000 by 2018 target, however the charity is confident that with the launch of the Community Portal project and the dissemination of leaflets via Big Lottery Funding, we will hit this target.
7. **Policy and Advocacy:** The following objectives have been formed during the pilot year of the new policy function, and will be used to deliver our body of policy and advocacy work over the next two years (subject to strategic review):
 - Championing the role and impact of small charities to the public, government, media, sector and other relevant influencers and decision-makers.
 - Ensuring small charities are aware of policies and changes that will impact on them and enabling them to engage and challenge decision-making processes.
 - Influencing regulatory, legal and political systems to ensure they are creating processes, policies and regulations that are simple, proportional and supportive for small charities.
 - Collaborating strategically with other organisations across all sectors to achieve the above.
8. **Services:**
 - **Mentoring:** We aim to create 105 new mentoring matches over the year. This includes 30 fundraising matches as part of the DCMS fundraising training programme.
 - **Training:** We aim to deliver 65 workshops across the year with 25% delivered outside of London and the south-east.
 - **Information and Guidance:** We are targeting to support 700 cases (i.e. requests for help) via our new Community Portal.

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Report of the Trustees

For the year ended 31 May 2017

Financial Year 2016/17

The Charity had received grants and donations of £265,774, earned £47,096 from an increase in partnership and training activities, and interest of £194 in the year to 31 May 2017. The total expenditure was £269,016 in the period. The charity had planned for a surplus and generated an overall surplus for the year of £43,998.

We received renewed funding from Esme Fairbairn Foundation, Garfield Weston Foundation and the Tudor Trust, and continued funding from Lloyds Bank Foundation for England and Wales, The Legal Education Foundation, The City Bridge Trust, Santander UK Foundation and the Westminster Foundation.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- Safeguarding the charity's service commitment in the event of delays in receipt of grants or other income.
- Providing a financial cushion against risk and future uncertainties.
- Resourcing the research and development of services and initiatives.

To this end, the Trustees have established a reserves policy that is reviewed annually to ensure that the appropriate levels of reserves are maintained and SCC is able to continue to fund its activities without unnecessary disruption as a result of peaks and troughs in income.

Total unrestricted funds at the year-end were £76,893. These are represented entirely by net current assets. In previous years we received unrestricted grant funding, which was designated for future projects. This is not the case at this year-end as the funding mix of the charity is changing with SCC working on developing its funding base. During 2016/17, the charity developed its relationships with existing and new funders and secured a greater proportion of restricted funds as well as increasing unrestricted income from training and events. At 31 May 2017 we had approximately three months' costs in reserves. We have sought to build this to provide the charity with a more sustainable basis and allow it to undertake new initiatives, we now have just over six months' running costs in reserves. The trustees are keeping this under review and will be re-establishing the reserves policy during the next round of planning and budgeting.

Statement of Responsibility of the Trustees

Our Trustees (who are also directors of The Small Charities Coalition for the purposes of company law) are responsible for preparing the report of the Trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;

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Report of the Trustees

For the year ended 31 May 2017

- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant information of which the charity's independent examiner is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 May 2017 was 10 (7 in 2016). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

The opinion of the trustees is that the charitable company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Signed on behalf of the trustees

Judith Miller, Treasurer

Date: 26 July 2017

Independent examiner's report

To the trustees of

The Small Charities Coalition

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 May 2017

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. Accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

Eric Southwick BA(Hons) FCA FCIE DChA

Date: 21 February 2018

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 **Eric
Southwick & Co**
CHARTERED ACCOUNTANTS
CHARITY ACCOUNTANTS

The Small Charities Coalition

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 May 2017

	Note	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Income from:					
Donations and legacies : gifts		11,956	10,000	21,956	8,833
Charitable activities					
Training, events and skill sharing	3	127,046	163,818	290,864	164,021
Investments : interest income		86	108	194	152
Total income		<u>139,088</u>	<u>173,926</u>	<u>313,014</u>	<u>173,006</u>
Expenditure on:					
Raising funds		25,995	-	25,995	13,200
Charitable activities					
Training, events and skill sharing		121,191	121,830	243,021	140,984
Total expenditure	4	<u>147,186</u>	<u>121,830</u>	<u>269,016</u>	<u>154,184</u>
Net (expenditure) / income for the year	5	<u>(8,098)</u>	<u>52,096</u>	<u>43,998</u>	<u>18,822</u>
Reconciliation of funds					
Total funds brought forward		81,041	33,486	114,527	95,705
Net (expenditure) / income for the year		<u>(8,098)</u>	<u>52,096</u>	<u>43,998</u>	<u>18,822</u>
Total funds carried forward		<u>72,943</u>	<u>85,582</u>	<u>158,525</u>	<u>114,527</u>

The above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 11 to the financial statements.

The notes on pages 13 to 21 form part of these financial statements.

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Balance sheet

Company no. 06462220

As at 31 May 2017

	Note	2017 £	2016 £
Current assets			
Debtors	8	2,421	2,124
Cash at bank and in hand		<u>163,935</u>	<u>115,510</u>
		166,356	117,634
Liabilities			
Creditors: amounts falling due within one year	9	<u>7,831</u>	<u>3,107</u>
Net current assets		<u>158,525</u>	<u>114,527</u>
Net assets	10	<u>158,525</u>	<u>114,527</u>
The funds of the charity	11		
Restricted funds		85,582	33,486
Designated funds		-	-
General funds		<u>72,943</u>	<u>81,041</u>
Total charity funds		<u>158,525</u>	<u>114,527</u>

For the financial year in question the charitable company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2016.

The trustees, who are directors of the charitable company under company law, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with provision applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees and authorised for issue on 26 July 2017 and signed on their behalf, by:

Judith Miller
Treasurer

The notes on pages 13 to 21 form part of these financial statements.

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

The accounting policies required by FRS 102 and the Charities SORP FRS 102 have been applied with no restatement of comparative items required. The transition date was 1 June 2014.

a) The charity

The charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page two. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. In the opinion of the Trustees there is no ultimate controlling party. The registered office, which is the same as its principal place of business is Unit 9/10, 83 Crampton Street, London, SE17 3BQ.

The charitable company meets the definition of a public benefit entity under FRS 102.

b) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. There are no key judgements that the charitable company has made which have a significant effect on the accounts. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

d) Expenditure

Expenditure is accounted for on an accruals basis. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

The charity is not registered for VAT. In common with many other charities, the Small Charities Coalition expenses are inflated by VAT which cannot be recovered.

The Small Charities Coalition

Notes to the Financial Statements

For the year ended 31 May 2017

e) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	33.3% straight line
Office equipment	33.3% straight line

f) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

g) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

h) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i) Pensions

The Charity has a defined contribution pension scheme. Pension costs are recognised when contributions become payable.

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Notes to the financial statements

For the year ended 31 May 2017

2 Prior year comparatives for the statement of financial activities

	Unrestricted £	Restricted £	2016 Total £
Income from:			
Donations and legacies	8,833	-	8,833
Charitable activities			
Training, events and skill sharing	38,780	125,241	164,021
Other trading activities			
Investments : interest income	42	110	152
	<u>47,655</u>	<u>125,351</u>	<u>173,006</u>
Total income			
Expenditure on:			
Raising funds	13,200	-	13,200
Charitable activities			
Training, events and skill sharing	26,979	114,005	140,984
	<u>40,179</u>	<u>114,005</u>	<u>154,184</u>
Total expenditure			
	<u>7,476</u>	<u>11,346</u>	<u>18,822</u>
Net income for the year			
Reconciliation of funds			
Total funds brought forward	73,565	22,140	95,705
Net income for the year	7,476	11,346	18,822
	<u>81,041</u>	<u>33,486</u>	<u>114,527</u>
Total funds carried forward			

3. Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
The charitable activities of the Charity comprise small charity support services				
Income from key funders:				
Lloyds Bank Foundation for England and Wales	-	70,811	70,811	19,991
Garfield Weston Foundation	-	50,000	50,000	-
Esmée Fairbairn Foundation	50,000	-	50,000	-
Tudor Trust	30,000	-	30,000	-
The Legal Education Foundation	-	17,500	17,500	17,500
The City Bridge Trust	-	12,225	12,225	48,500
Santander UK Foundation	-	10,000	10,000	-
The Westminster Foundation	-	865	865	22,000
Foundation for Social Improvement	-	2,417	2,417	7,250
The Sobell Foundation	-	-	-	5,000
Donald Forrester Trust	-	-	-	5,000
Income from partnerships, training and events	47,046	-	47,046	38,780
	<u>127,046</u>	<u>163,818</u>	<u>290,864</u>	<u>164,021</u>
Total				

The Small Charities Coalition

Notes to the financial statements

For the year ended 31 May 2017

4. Expenditure

	Cost of generating funds	Training, events and skill sharing	Governance costs	Support costs	2017 total	2016 total
	£	£	£	£	£	£
Staff costs (note 6)	8,762	162,098	4,381	-	175,241	107,606
Trustees' expenses	-	-	15	-	15	-
Professional fees	16,480	7,594	-	-	24,074	20,776
Project costs	-	44,858	-	-	44,858	13,399
Recruitment and training	-	5,893	-	-	5,893	-
Staff and volunteer expenses	-	863	-	-	863	511
Event costs	-	2,445	-	-	2,445	2,288
Premises and office costs	-	-	-	9,312	9,312	7,203
Accounting and support costs	-	-	-	1,342	1,342	486
Other	-	4,973	-	-	4,973	1,915
	<u>25,242</u>	<u>228,724</u>	<u>4,396</u>	<u>10,654</u>	<u>269,016</u>	<u>154,184</u>
Support costs	533	10,121	-	(10,654)	-	-
Governance costs	220	4,176	(4,396)	-	-	-
Total expenditure	<u><u>25,995</u></u>	<u><u>243,021</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>269,016</u></u>	<u><u>154,184</u></u>

Of the total expenditure, £147,186 was unrestricted (2016: £40,179) and £121,830 was restricted (2016: £114,005).

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Notes to the financial statements

For the year ended 31 May 2017

5. Net income for the year

Net income for the year is stated after charging accountant's fees of £nil (2016: £nil).

6. Staff costs and numbers

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	158,196	99,644
Social security costs	12,299	7,219
Employer's contribution to defined contribution pension schemes	4,746	743
	<u>175,241</u>	<u>107,606</u>

No employee earned more than £60,000 during the year.

The average number of employees during the year was as follows:

	2017	2016
	Number	Number
Direct charitable activities	5.5	2.9
Support and governance	0.5	0.5
	<u>6.0</u>	<u>3.4</u>

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Notes to the financial statements

For the year ended 31 May 2017

7. Taxation

The charitable company is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At the start of the year	2,917
Additions in year	-
Disposals and write-off in year	<u>(2,917)</u>
At the end of the year	<u>-</u>
Depreciation	
At the start of the year	2,917
Charge for the year	-
Disposals and write-off in year	<u>(2,917)</u>
At the end of the year	<u>-</u>
Net book value	
At the end of the year	<u><u>-</u></u>
At the start of the year	<u><u>-</u></u>

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Notes to the financial statements

For the year ended 31 May 2017

8. Debtors

	2017 £	2016 £
Trade debtors	<u>2,421</u>	<u>2,124</u>

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	<u>7,831</u>	<u>3,107</u>

10. Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Net current assets	<u>72,943</u>	<u>-</u>	<u>85,582</u>	<u>158,525</u>

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Notes to the financial statements

For the year ended 31 May 2017

11. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds				
Lloyds Bank Foundation for England and Wales	-	70,811	(19,229)	51,582
Garfield Weston Foundation	-	50,000	(25,000)	25,000
The Legal Education Foundation	15,736	17,500	(33,236)	-
The City Bridge Trust	-	12,225	(12,225)	-
Santander UK Foundation	-	10,000	(10,000)	-
The Westminster Foundation	16,500	865	(17,365)	-
Foundation for Social Improvement	-	2,417	(2,417)	-
The Sobell Foundation	1,250	-	(1,250)	-
Other	-	10,000	(1,000)	9,000
Interest income	-	108	(108)	-
Total restricted funds	33,486	173,926	(121,830)	85,582
Unrestricted funds				
General funds	81,041	139,088	(147,186)	72,943
Total unrestricted funds	81,041	139,088	(147,186)	72,943
Total	114,527	313,014	(269,016)	158,525

Purposes of restricted funds

Lloyds Bank Foundation for England and Wales - To deliver our policy and advocacy work

Garfield Weston Foundation - Contribution towards core costs

The Legal Education Foundation - Contribution towards the cost of our Community Portal project

The City Bridge Trust - To deliver the Building Resilience Programme

Santander UK Foundation - To fund our monthly members bulletin

The Westminster Foundation - A contribution towards the cost of our training programme

Other - Contribution towards the cost of our Community Portal project

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Notes to the financial statements

For the year ended 31 May 2017

12. Related party transactions

Following his resignation during the year, D'Arcy Myers was paid £800 for consultancy services performed whilst he was a Trustee. No other Trustees received any remuneration or benefits. One Trustee received reimbursement of expenses of amounting to £15 (2016 : none).