



SMALL CHARITIES COALITION
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MAY 2012

Charity No: 1122297
Company No: 06462220

SMALL CHARITIES COALITION

FOR THE YEAR ENDING 31 MAY 2012

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SMALL CHARITIES COALITION

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDING 31 MAY 2012

Registered company number 6462220

Registered charity number 1122297

Registered office 24 Stephenson Way
London
NW1 2DP

Trustees Debra Allcock Tyler, Chair (appointed 2/1/2008)
Murtaza Jessa, Treasurer (appointed 31/3/2008)
Caroline Diehl (appointed 2/1/2008)
D'Arcy Myers (appointed 2/1/2008)
Henny Braund (appointed 2/1/2008)
Lynne Rawlings (appointed 2/1/2008, resigned 27/7/2011)
Richard Davidson (appointed 2/1/2008)
Rosamund McCarthy (appointed 2/1/2008)
Beverley Costa (appointed 9/12/2009)
Mike Nussbaum (appointed 19/4/2011)
Simon Hebditch (appointed 19/4/2011)
Zoe Willems (appointed 19/4/2011)

Company Secretary BWB Secretarial Limited

Chief Executive Cath Lee

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

Accountants Kesaria & Co.
Chartered Certified Accountants
44 Chapman Crescent
Kenton
Harrow
Middlesex
HA3 0TE

SMALL CHARITIES COALITION

CHAIR'S OVERVIEW

FOR THE YEAR ENDING 31 MAY 2012

This has been an exciting year for us, making our legal merger become a reality for our members.

We have really only just begun that journey during this year but can see enormous potential for the range and nature of the services we provide. Every new member we sign up, be they a trustee, member of staff or volunteer of a small charity, is enthusiastic about our ethos of sharing knowledge and experience to help each other. All our members are working with resources that are stretched beyond their elasticity and yet their optimism about what they can and are determined to achieve is nothing short of inspirational.

Some of the highlights of our year include:

- Improving members capacity in crucial areas to the running of their organisations; project management, impact measurement, strategic fundraising planning, fundraising techniques.
- Reaching out to our members in the north of the country through our Link Up and Learn events, supported by the Santander Foundation
- Introducing new ways of bringing people together to learn from each other and experts; we piloted group support sessions and trustee peer to peer matching.
- Introducing a new way of bringing charities and potential trustees together – and going some way towards addressing the chronic shortage of trustees in small charities and encouraging younger people to become trustees.

We have continued with our efforts to contribute to a range of policy agendas during the year, trying to ensure that small, and particularly very small charities' experiences are taken on board in the development of policy and the introduction of new initiatives; we've contributed views vociferously on making the Gift Aid Small Donations Scheme accessible to as many small charities as possible and we've contributed to the debate on how giving can be encouraged and particularly ensuring that small charities do not get left behind through overdependence on technology based initiatives. Some of our members met with Lord Hodgson to give him grounded food for thought as he reviewed the Charities Act 2006.

We have focused some of our attention also on working with others in the sector to support charities in improving their practice in the following areas:

- Impact measurement and reporting
- Governance
- Preventing and managing fraud

We continue to work hard, in a very tough environment for second tier organisations, to raise the money we need to continue providing support to our members. We are hugely grateful to the existing and new funders that have shown confidence in our work and our members. Their support is vital to ensure that our sector retains its diversity and flexibility to respond to changing needs that small charities are so well placed to reflect.

We continue to be optimistic about our ability to support trustees and small charities and are excited about the year ahead.

Debra Allcock Tyler
Chair of Trustees
Small Charities Coalition

SMALL CHARITIES COALITION

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MAY 2012

Charitable activities in the past year

During the first half of our year we focused on ensuring we integrated the work of Small Charities Coalition and Charity Trustee Networks as smoothly as possible and succeeded in avoiding significant disruption to members. We focused our energies particularly on:

- Members communication and consultation. We carried out a qualitative and quantitative survey amongst members so that we could understand the value of the services we provide and ideas for development as well as getting a better understanding of the challenges they face and how we can best support them.
- Staffing and offices – following consultation we took the decision to close the CTN office in Guildford. Unfortunately the remaining CTN staff did not wish to transfer to work in London and so we bid them farewell at the end of July when we closed the office. The previous CEO of CTN continued to work on a freelance basis until end September and supported the integration and in particular the consultation with members.
- Data and website integration – We brought the two databases together and have since begun an ongoing process of data cleaning and updating. We have partially integrated the two websites and have plans to fully integrate these either on an incremental basis over the next year or more quickly if we are successful in our fundraising efforts for the project.
- Planning – At the point of merger we had produced a draft strategy. Following our consultation with members and 6 months of operation as a merged organisation we held a planning day with the Board, reviewed and amended the strategy.

The second half of the year resulted in us achieving some great first steps towards our strategic aims.

Aim 1 - Build partnerships and collaborate with individuals, and supporter organisations to give access to the help and support small charities need to build and run resilient and responsive organisations.

- We brokered free and discounted training and conference places to an estimated value of £67,000 to our members, most notably through our partnership with IBM whose staff trained 120 of our members over 6 courses, helping to build members capacity in relation to technology planning, project management and impact measurement.
- We improved our communication to our members by integrating our programme of newsletters. Our members now receive one monthly bulletin with improved navigation to enable them to identify items of most relevance. Our open rates remain high at 25%.

"I find the bulletins useful - particularly the links to events/advice etc" "Of all the bulletins I get this has been most useful by a mile. The content is well targeted for us."

- We identified improvements that can be made to our Trusteefinder service and have had initial discussions with our partners Youthnet who run the platform www.do-it.org to which Trusteefinder is linked, to discuss our ideas for implementing these.
- We had early indications that our new 'trustee speed recruiting' service will be a successful and fun way of helping charities and potential trustees understand what they are looking for

Nigel, Chair of Eikon attended our inaugural trustee speed recruiting event held at Trusteefair in 2011:

"As a charity we were and still are looking to strengthen and bring in new blood to our board, and I thought that the speed networking event was a good opportunity to meet some prospective new trustees. I found the experience very useful, it forced me to concisely sum up and explain what Eikon does and is all about in a couple of minutes. Of the 6 or 7 people I spoke with I had two prospective matches"

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

Charitable activities in the past year

Aim 2 - Increase the number of opportunities for small charities to help themselves by sharing their own skills, knowledge, learning and resources through peer support mechanisms/platforms

- We ran 2 regional successful 'Link up and Learn' events in Liverpool and Newcastle, attended by 130 members, nearly all from organisations with annual income under £250k. Delegates had an additional opportunity to network and share experiences through evening receptions held before the events.

Kerry Roe Ely from Stick N Step said:

"Link Up and Learn today has been thought provoking and inspirational. It has inspired us to tackle the specific problems we need to tackle and given us a framework within which to work",

"The very low-cost workshops, and the overall event, was really practical. Easy for me to implement once back at my desk, really simple and straightforward."

- We ran a pilot project providing support to groups of members. The pilot involved 5 groups meeting at least 3 times each over the course of 4 – 6 months. A total of 33 members took part. The model was considered an effective way of achieving a blend of specialist knowledge input from the facilitator, combined with the value of peer-to-peer sharing of learning and experience.
- We have reviewed previous evaluation work carried out by CTN of the networks of trustees around the country. We have learned that many of the networks are struggling to be sustainable, particularly those networks that have been led and funded by CVS's that have experienced substantial cuts in funding. Our consultation of members and discussions with those involved in the networks have shown us how valuable these can be – if a model that is more sustainable can be developed. We will be doing further work, in consultation with the networks that remain, to develop and test models for linking people up locally in a cost effective and sustainable way.
- We have been encouraged this year by the increase in take up by our members of our 1to1 skills matches. In the latter half of the year our average ongoing rate of 1 to 1 matches had risen to 60 per month compared to the previous average of 30 per month. We know that our members find this level of tailored advice, guidance and mentoring invaluable. We estimate that for an average match of 6 – 9 hours help given, based on an hourly rate of £40 per hour our members have been saved between £240 and £360, although the value of the matches extends far beyond the financial measure of money saved.

Tracy Ford, JAGS Foundation said of her supporter:

'Faye is very knowledgeable and I have found that our meetings give me structure, guidance and opens my mind to all sorts of possibilities that I would not otherwise have thought possible. Thank you for giving me such a great person to work with who is so supportive and generous of her time and experience.'

Aim 3 - Reach out to more small charities in the UK so that they have the help and support they need. We will work collaboratively and in partnership to achieve this.

- At the end of the previous financial year we estimated we had around 5500 members following our merger. During this financial year we have integrated the two databases and now have a more accurate picture of our members. We finished this financial year with a membership of 6235. Overall, this is an average increase in members of 60 per month. However during the final quarter when we were heavily promoting our Link Up and Learn events our average monthly increase in members was 100 per month.
- During this financial year we have increased our use of social media. We share responsibility with Reach on management of the Linked In group for trustees. We've increased our use of twitter and have over 1400 followers.

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

Charitable activities in the past year

Aim 4 - We will listen, respond and represent the needs of our members so that the world they operate in works to support them.

During this year we contributed to policy initiatives that we felt would be of most benefit to our members:

- We continued to feed in our views about the practical implications of the Gift Aid Small Donations Scheme.
- We contributed to a cross sector partnership on reducing and preventing fraud in the sector. This included contributing to publications produced by CFG and the Fraud Advisory Panel on fraud and safer giving.
- More recently we were asked to contribute to NCVO's shadow consultation on the Charities Act 2006 Review as a member of the Trustee issues sub group. We also held our own consultation meeting with our members, attended by Lord Hodgson and staff from the Cabinet Office.

We have found during this year that we have a valuable contribution to make to sector partnership initiatives and have been core contributors to Trustees Week and Small Charities Week. We are a member of the Steering Group for the ongoing development of the Code of Good Governance. We contributed to the production of a version of the code for smaller organisations and were pleased to host the launch of the new website www.goodgovernance.org at our Link Up and Learn event in Newcastle.

Lessons learned

This year, again, has been one in which we have come to understand much more about how we can get it right for our members and also more about the challenges they face.

Our consultation exercise following the merger highlighted some key issues for us:

- all our members are facing challenges with funding, some are at a more critical stage than others. It was reassuring to learn from members that they are keen to acquire knowledge and skill to help them to identify and manage the risks associated with the current economic climate and policy agenda of the government.
- Members value the types of service that give them quick, easy and cheap access to what they need to know
- Members really value being able to know what, of all the information that is available, is relevant to them and for it to be easier to keep up to date.
- They rate networking highly as a good way of learning

As a result of this we are better placed to focus our resources on the areas of development that help us address our members needs most effectively.

We think that this year the economic climate is really beginning to have an impact on the day to day operations of small charities. We found we had to work much harder in promoting our Link up and Learn events this year. As part of our promotional work we enlisted the support of a volunteer to phone charities to find out whether they would be booking places. The majority of people told us the event was relevant and priced appropriately. Their main barriers to booking a place were uncertainty about what would be happening on the day and whether they'd be able to leave their offices coupled with the opportunity cost of having a day out of the office. For some, who had experienced staff reductions, time away was either time lost to services or time lost to fundraising.

This year we have, again, been in demand from the media and the rest of the sector in terms of requests to present a view and opinion about small charities and their experiences and respond to government consultations. In the next financial year we will need to focus on building on the resources we have to support this work and see there is more valuable work for us to do in capturing and making known our members views and experiences.

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

Partnership work

This year we have continued to collaborate heavily and work with partners to deliver services and ensure small charity experiences are represented. Partners include Directory of Social Change (DSC), Media Trust, Institute of Fundraising (IoF), Charities Evaluation Service (CES), IBM and Charity Finance Group (CFG).

We were very grateful to many of our partners for supporting our Regional Events. Many speakers provided their services free or on an expenses only basis. Our thanks go to IoF, The Charity Commission, Media Trust, DSC, Alan Eagle (Santander Foundation), Lindsay Driscoll, Hempsons, The Ethical Property Foundation.

We are strengthening our links with other organisations all the time and our network has been enhanced through our policy work. The organisations we have strong links with include:

Reach Volunteering, Know How Non Profit, Law Works, CASS Business School Centre for Charity Effectiveness, Charity Tax Group, NCVO, ACEVO, ICOSA, ICAEW, CIOT, CAF, Association of Charity Facilities Managers.

Our Impact

Over the past year we have made progress in gathering data about the impact we have made. We can describe this in a number of ways. One of these is the monetary value of the skill, time and expertise we have brokered for small charities.

During the year we brokered:

- An estimated £67,000 worth of free or discounted training and conference places
- £1200 worth of benefits to members eg. discounted subscriptions
- Saved members an average of £18,000 per month in saved consultancy fees through the advice and guidance provided through our 1 to 1 skills matches and mentoring.
- Saved each member participating in group support an estimated £1000.

Best of all, members who agree to tell us more about how our services have helped them are invaluable.

Case study – Empowering Families and Jo Gage

Empowering Families, a small charity that provides friendship, support and guidance to families in distress, came to the Small Charities Coalition looking for help with their fundraising strategy. We matched Heather Thomas from Empowering Families with Jo Gage, Head of Learning and Development at Cancer Research UK. Now that their match has come to an end, we got in touch with Heather and this is what she said: ‘Working with Jo has been invaluable personally and professionally. Through the questions and challenges she has put to me, she has taught me a great number of things, raising my standards, benefitting my charity and the people with I whom I interact.’

When asked what impact this has had on Empowering Families and its beneficiaries Heather responded: ‘In the time Jo has been my mentor we have achieved several grants, developed the charity website, trialled various avenues for promoting the charity, and even redefined our charity vision’

And what did the match meant to Heather? ‘I have found it tremendously helpful as part of my personal and professional development. Even my Board of Trustees can see the difference in me and the fruits of our labours, which is very encouraging.’

Heather added: ‘I have felt safe and have faith in Jo herself as a person and a professional. I want to reciprocate this investment, if not for Jo, then for someone I might mentor.’

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

Case study - African Steps & Beth Dawson

African Steps is a small charity working on Likoma Island, Malawi to provide healthcare for some of the poorest and remote people in the world. The chair of the charity Kathryn Garnett was matched with Beth Dawson, business development manager at Friends of the Earth, to seek support with fundraising. Here is Kathryn's account of their match:

"Within days of completing a matching form I was put in touch with Beth. We had several phone calls and long email exchanges in which she got to know about the needs of our charity and then supplied me with lots of advice, contacts, useful information and templates. We then met up in London to discuss progress and to see how much more help was needed. I learnt so much from Beth that it was no longer necessary to have regular contact, but she has made it clear that she is available to help in the future whenever needed.

"Throughout the match the team at SCC has also helped me with their useful monthly emails which contain lots of suggestions, conference opportunities etc. I attended the SCC conference last year which was a great encouragement and source of helpful information. I followed up on one of SCC's suggestions to join Global Giving - this has proved invaluable from a fundraising point of view, but has also greatly increased our supporter base.

"Being linked with Beth and receiving her in depth and carefully considered advice for African Steps has been a real turning point for us as a charity. I have learnt to think differently and more professionally when it comes to fundraising and I am gradually implementing Beth's suggestions."

Funders and Supporters

We are extremely grateful to all our funders and to those who support us with time and expertise. We wouldn't be able to make a difference to small charities and trustees without them.

29th May 1961 Charitable Trust
Donald Forrester Trust
Esmée Fairbairn Foundation
Garfield Weston Foundation
Inman Charity Trustees Ltd
Santander Foundation
The Coutts Charitable Trust
The Tudor Trust
Wates Foundation

In addition our volunteers contributed an enormous amount of time and talent to our work. We couldn't have achieved what we have without them. Our thanks go to James Bull, Muhammad Askar, Michael Boon, Hio Leong, Belen Estrela, Celine Sweeney, Clare Flitton, Amy Bridges, Rory Hutcheson, Beth Reader, Tania Cohen, Liam Collerton.

How the Small Charities Coalition is run

Type of governing document: Memorandum and articles of association incorporated 2nd January 2008

We have 11 Trustees. Our Board of trustees bring a broad mix of skill, experience and backgrounds. All have experience and knowledge of working with or in small charities. Our three new Trustees following the merger are all governance experts and bring a wealth of knowledge and experience in the sector.

Trustee selection methods: One third of Trustees retire by rotation each year. Trustees are appointed or reappointed annually at the Annual Retirement Meeting.

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

Public Benefit

The Small Charities Coalition's objects, as laid down in its Memorandum and Articles of Association are:

The promotion of small charities for the benefit of the public including but not limited to: liaising with small charities, other voluntary organisations, government agencies and other groups on relevant issues; providing training, conferences and seminars on subjects relevant to the efficacy of small charities; identifying needs of small charities and establishing projects or policies to address them; providing information to the press and the public in respect of small charities; providing services such as legal, accountancy and management advice services to small charities; providing advice and information on fundraising and volunteering for small charities; and acting as a representative of small charities in relation to government policies and legislation.

The advancement of education and research for the benefit of the public.

To do all such other things for the public benefit as may be charitable under the laws of England and Wales.

The Trustees confirm that in planning the Small Charities Coalition's activities they have given careful consideration to how the Small Charities Coalition has fulfilled its charitable objectives. The Trustees do not identify any potential detriment or harm arising from the activities of the Small Charities Coalition. The beneficiaries of the Small Charities Coalition are small charities and the Small Charities Coalition operates nationally. The Trustees give their time voluntarily and receive no financial remuneration from the Small Charities Coalition.

The Board

The Board meets four times a year. In addition we have two sub-committees. This allows for more detailed consideration of issues and enables us to play to the strengths of Board members. The sub-committees are able to make recommendations to the full Board.

Resources sub-committee: Responsible for regular review of the risk register, financial management and reporting, staffing and other resourcing issues.

Marketing sub-committee: Responsible for marketing planning and performance monitoring and an overview of fundraising and policy work.

The staff team

Following the merger the staff team increased to 5.2 FTE including Cath Lee as CEO of the merged organisation. In the first half of the year we reorganised our staffing structure resulting in a staff team of 4.5 FTE including Cath Lee as CEO.

Volunteers:

During this year we have had 3 core volunteers and a further 9 volunteers engaged in project based work.

Financial Review

The Charity had received grants and donations of £167,720, earned £2475 for training and events and interest of £188 in the year to 31 May 2012. The total expenditure was £180,138 in the period. The charity had a planned deficit of £9,755 in the year.

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

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:

- Safeguard 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. However, the Trustees are of the view that reserves should not be set too high, tying up funds which could and should be spent on charitable activities. In line with its duties as a service provider, the organisation aims to hold unrestricted reserves, excluding those tied up in tangible fixed assets, amounting to contingent liabilities associated with winding up the charity at today's prices. This is to minimise any disruption to beneficiaries should a source of income cease. At today's prices this is just over £39,000. The actual free reserves at the year end were £34,345. These reserves do not include amounts designated for income received where the corresponding expenditure will be incurred in the following year.

Future plans

Our focus will be on ensuring our funding is as secure as possible in the given climate for implementing our strategy and driving forward the first full year of our strategy. Specifically we plan to:

Aim 1

- Develop at least 2 partnerships to make services or resources available to members at an affordable price in a key area; utilities, stationery, insurance, accountancy, banking, marketing services, office premises.
- Improve support to and recruit more individual supporters from all sectors, targeting those with specific skills and knowledge needed to meet needs identified by members – build on initial partnership with Grant Thornton in particular.
- Improve and further develop the models, operational policies, processes and support needed to facilitate the matching of supporters with small charities through; one to one information, advice and guidance, one to one mentoring, group support
- Develop ways in which supporters can become and small charities can find and support trustees more effectively.

Aim 2

- Run 2 regional 'Link up and Learn' type events per year, targeting areas where membership is low or members are less active or to support specific programmes of work
- Develop, test and begin roll out of a model of support for networks and networking opportunities that will support, trustees, staff and volunteers and supporters.
- Improve and further develop the models, operational policies, processes and support needed to facilitate peer support between trustees, staff and volunteers of small charities through: one to one information, advice and guidance, one to one buddying, peer facilitated group support.

Aim 3

- Increase membership by 800 to 7000 by end May 2013.
- Identify and explore at least one national level partnership that would result in more small charities receiving more of the help and support they need.

SMALL CHARITIES COALITION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDING 31 MAY 2012

Future plans

Aim 4

- Ensure policy and good practice work is resourced in a structured and sustainable way.
- Explore the possibility of carrying out policy/influencing work in partnership with key partner organisations
- Ensure clear priorities for policy work are agreed and principles on which to base judgements are agreed and documented.
- Respond reactively to at least 2 sector issues. Proactively address at least 1 sector issue through sector and general media.
- Secure at least one national and one regional/local conference speaking engagement.

Statement of Trustees' responsibilities

The Trustees, as directors of the charitable company, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on 10 November 2011 and signed on their behalf, by:

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Debra Allcock Tyler
Chair of Trustees

SMALL CHARITIES COALITION
(A company limited by guarantee)

AUDIT EXEMPTION REPORT

FOR THE YEAR ENDED 31 MAY 2012

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SMALL CHARITIES COALITION

I report on the financial statements of the Company for the year ended 31 May 2012 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account) and Balance Sheet, with the related notes. This report is made solely to the Company's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. My work has been undertaken so that I might state to the Company's 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 Company and the Company's Trustees as a body, for my work, for this report, or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed. Having satisfied myself that the Society is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 43 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the Act; and
- state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (2) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Dipak Kesaria
Kesaria & Co.
Chartered Certified Accountants

44 Chapman Crescent
Kenton
Harrow
Middlesex
HA3 0TE

SMALL CHARITIES COALITION

**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account)**

FOR THE YEAR ENDED 31 MAY 2012

	Note	Unrestricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES				
<i>Incoming resources from generated funds</i>				
Voluntary income and grant funding	2	167,720	167,720	144,880
Investment income	3	188	188	167
Transfer from Charities Trustee Network		-	-	44,516
<i>Incoming resources from charitable activities</i>				
Training and events		2,475	2,475	-
TOTAL INCOMING RESOURCES		<u>170,383</u>	<u>170,383</u>	<u>189,563</u>
RESOURCES EXPENDED				
Costs of generating funds	4	3,228	3,228	6,084
Charitable activities	5	173,427	173,427	123,895
Governance	6	3,483	3,483	9,055
TOTAL RESOURCES EXPENDED		<u>180,138</u>	<u>180,138</u>	<u>139,034</u>
MOVEMENT IN TOTAL FUNDS FOR THE YEAR -				
Net (expenditure)/income for the year		(9,755)	(9,755)	50,529
Total funds brought forward		124,479	124,479	73,950
TOTAL FUNDS CARRIED FORWARD		<u>£114,724</u>	<u>£114,724</u>	<u>£124,479</u>

The statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 18 form part of these financial statements.

SMALL CHARITIES COALITION

BALANCE SHEET

AS AT 31 MAY 2012

	Notes	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		-		854
CURRENT ASSETS					
Stock		-		450	
Debtors	11	-		1,181	
Cash at bank		118,698		128,204	
		<u>118,698</u>		<u>129,835</u>	
CREDITORS: Amounts falling due within one year	12	3,974		6,210	
			<u>114,724</u>		<u>123,625</u>
NET ASSETS	13		<u>£114,724</u>		<u>£124,479</u>
CHARITY FUNDS					
Designated funds			80,379		104,111
Unrestricted funds – General funds			34,345		20,368
TOTAL FUNDS			<u>£114,724</u>		<u>£124,479</u>

The Company is exempt from the requirements relating to preparing audited accounts in accordance with Section 477 of the Companies Act 2006. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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.

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

.....
Debra Allcock Tyler
Chair of Trustees

.....
Rosamund McCarthy
Trustee and Chair of Resources Committee

The notes on pages 14 to 18 form part of these financial statements.

SMALL CHARITIES COALITION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. 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.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

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.

1.6 Tangible fixed assets and depreciation

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	- 33⅓% straight line
Office equipment	- 33⅓% straight line

1.7 VAT

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.

SMALL CHARITIES COALITION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MAY 2012

2. INCOME RESOURCES FROM VOLUNTARY INCOME AND GRANT FUNDING		Total Funds 2012 £	Total Funds 2011 £		
IBM		6,500	-		
Santander		21,900	10,352		
Sobell		-	10,000		
26 May 1961 Trust		10,000	10,000		
Tudor Trust		50,000	75,000		
Esmée Fairbairn		50,000	-		
Dulverton Trust		-	26,000		
Wates Foundation		9,000	9,000		
Garfield Weston		10,000	-		
Inman Charitable Trust		3,500	-		
Coutts Foundation		500	-		
Donald Forrester		5,000	-		
Other donations		1,320	4,528		
Voluntary income and grant funding costs		<u>£167,720</u>	<u>£144,880</u>		
3. INVESTMENT INCOME	Unrestricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £		
Interest income	£188	£188	£167		
4. COSTS OF GENERATING FUNDS	Unrestricted Funds 2012	Total Funds 2012	Total Funds 2011		
Staff and consultant costs	2,603	2,603	3,610		
Support costs	625	625	474		
Other costs	-	-	2,000		
	<u>£3,228</u>	<u>£3,228</u>	<u>£6,084</u>		
5. CHARITABLE ACTIVITY COSTS	Direct Salary costs £	Other Direct costs £	Support Costs £	Total 2012 £	Total 2011 £
Resource and skill sharing	£132,957	£30,570	£16,611	£180,138	£123,895

SMALL CHARITIES COALITION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MAY 2012

6. GOVERNANCE	Unrestricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Staff costs and accountancy	1,082	1,082	3,610
Trustees expenses	392	392	161
Support costs	625	625	474
Independent Examiners Fees	500	500	850
Legal costs	884	884	3,960
	<u>£3,483</u>	<u>£3,483</u>	<u>£9,055</u>

7. SUPPORT COSTS SUMMARY BY ACTIVITY

	Charitable Activities £	Cost of Generating Funds £	Governance £	Total 2012 £	Total 2011 £
Rent	13,784	518	518	14,820	9,721
Telephone	1,587	60	60	1,707	2,393
Insurance	369	14	14	397	239
Bank charges	78	3	3	84	178
Payroll administration	-	-	-	-	147
Depreciation	793	30	30	853	910
Total support costs	<u>£16,611</u>	<u>£625</u>	<u>£625</u>	<u>£17,861</u>	<u>£13,588</u>

Support costs have been allocated as above based on the proportion of staff time spent on each activity.

8. NET (EXPENDITURE)/INCOME	2012 £	2011 £
This is stated after charging:		
Depreciation of tangible fixed assets: owned by the charity	854	910
Accountants fees	500	850
	<u>1,354</u>	<u>1,760</u>

During the year, no Trustees received any remuneration or benefits.

3 Trustees received reimbursement of travel and subsistence expenses amounting to £392.

9. STAFF COSTS AND NUMBERS	2012 £	2011 £
Staff costs were as follows:		
Wages and salaries	121,904	100,510
Social security costs	11,053	6,807
	<u>£132,957</u>	<u>£107,317</u>

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

	Number	Number
Direct Charitable Activities	3.5	2.4
Support and governance	0.5	0.3
Fundraising	-	0.3
	<u>4.0</u>	<u>3.0</u>

None of the employees received emoluments amounting to over £60,000 during the year.

SMALL CHARITIES COALITION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MAY 2012

10. TANGIBLE FIXED ASSETS		Furniture, fittings and equipment £	Total £	
Cost				
At 1 June 2011 and 31 May 2012		2,918	2,918	
Depreciation				
At 1 June 2012		2,064	2,064	
Charge for the year		854	854	
At 31 May 2012		2,918	2,918	
Net Book Value				
At 31 May 2012		£ -	£ -	
At 31 May 2011		£854	£854	
11. DEBTORS		2012 £	2011 £	
Due within one year				
Prepayments		-	£1,181	
12. CREDITORS: amounts falling due within one year		2012 £	2011 £	
Trade creditors		1,068	2,427	
Social security and other taxes		2,906	1,640	
Other creditors		-	1,293	
Accruals		-	850	
		£3,974	£6,210	
13. STATEMENT OF FUNDS				
	Balance brought forward £	Incoming Resources £	Resources Expended £	Balance carried forward £
Grants in advance	74,666	80,379	(74,666)	80,379
Charities Trustee Network	29,445	-	(29,445)	-
DESIGNATED FUNDS	£104,111	£80,379	£(104,111)	£80,379
UNRESTRICTED GENERAL FUNDS	£20,368	£90,004	£(76,027)	£34,345

The amount designated for grants in advance represents a proportion of grants received in the year ended 31 May 2012 whereby the related costs will be received in 2012/2013.

SMALL CHARITIES COALITION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MAY 2012

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Designated Funds 2012 £	General Funds 2012 £	Total Funds 2012 £
Current assets	80,379	38,319	118,698
Creditors due within one year	-	(3,974)	(3,974)
	<u>£80,379</u>	<u>£34,345</u>	<u>£114,724</u>

16. RELATED PARTY TRANSACTIONS

During the year Small Charities Coalition offices were based at Directory of Social Change and paid rent of £14,820. Debra Allcock Tyler, a Trustee of Small Charities Coalition, is the Chief Executive of Directory of Social Change. Debra did not receive any personal benefit from this rental agreement and was not involved in any negotiations of the rental terms. The rent paid is below market rent for similar offices.

The charity paid an insurance premium of £33 to CASE. Bates Wells Braithwaite are shareholders in CASE and one of the trustees, Rosamund McCarthy is a partner at Bates Wells Braithwaite. The insurance was chosen because it was the most competitive quote and Rosamund was not involved in any of the discussions relating to the insurance.