CHARITY COMMISSION
FOR ENGLAND AND WALES

Receipts and Payments Accounts Introductory Notes

Purpose of pro forma receipts and payments accounts

These guidance notes reflect the requirements for accounting periods ending on or after 1 April 2009 and have been subsequently amended for charitable incorporated organisations. Please refer to our reporting thresholds table for information about requirements for earlier accounting periods.

In England and Wales many smaller non-company charities may choose to prepare receipts and payments accounts rather than accruals accounts. Company charities are not allowed to prepare receipts and payments accounts. Receipts and payments accounts involve simple cash accounting and are different to accruals accounts. The differences between the two are explained in the glossary of terms at the end of these notes.

These notes and the accompanying pro forma accounts (CC16a) are designed to be comprehensive and to provide all the information needed to draft receipts and payments accounts. Unlike other forms of non-company charities, charitable incorporated organisations (CIOs) may need to provide notes to their receipts and payments accounts.

These notes explain the principles underlying receipts and payments accounts and the pro forma provides our recommended format for their preparation. Fully completed, the pro forma and the other statements detailed overleaf will meet the requirements of the law for such accounts. Please note that if a charity is also registered with the Office of the Scottish Charity Regulator ('OSCR') these pro forma accounts are not suitable for filing with them. OSCR's website provides information on how to lay out receipts and payments accounts to meet the requirements of Scottish charity law. We will accept accounts laid out in the format required by OSCR.

Legal status of receipts and payments accounts

Receipts and payments accounts may not be used by charities that are companies.

Charities registered in England and Wales that are not companies are allowed under section 133 of the Charities Act 2011 ('the Charities Act') to prepare receipts and payments accounts provided the charity's gross income is not over £250,000.

Trustees should also check that their governing document does not require their charity's annual accounts to be prepared as accruals accounts. A requirement that asks for 'true and fair' accounts or for the preparation of a balance sheet will imply that accruals accounts are needed.

If trustees prepare their accounts on the accruals basis they may find one of our Accruals Accounts Packs (CC17 or CC39) useful. If more information is needed, the Charities SORP (Accounting and Reporting by Charities: Statement of Recommended Practice) explains in full the methods and principles that must be adopted for charity accruals accounts. Copies of the Charities SORP and other useful publications are available on our website.

Charities for which receipts and payments accounts are suitable

The pro forma receipts and payments accounts are intended for use by charities:

- that are not required to prepare accruals accounts (see legal status above) for the financial year; and
- whose trustees have opted to prepare receipts and payments accounts (in some cases accruals accounts may be preferable).

Considerations prior to opting for receipts and payments accounts

There are some occasions where, although the law allows receipts and payments accounts to be prepared, it may be preferable to prepare accruals accounts. The following are examples of such occasions:

- donors may require accruals accounts to be prepared as a condition of their grant;
- trustees may need to explain more about the use of their resources than simply cash movements. This may arise when:
  - a charity has significant non-cash assets, or fixed assets which the trustees would like to value and depreciate in the accounts;
  - a charity has received significant non-cash donations (gifts in kind or valuable gifts of services); or
  - a charity operates a total return policy in relation to permanent endowment investments;
- the charity, despite having an income under the threshold, is growing in size or complexity, for example, the charity may use a trading subsidiary, or the charity is involved in joint operations with other charities.
- the charity has significant receipts or payments arising from asset and investment sales and purchase, and the trustees consider that the preparation of accruals accounts would explain these transactions more clearly;
- the charity carries out its activities mainly by making programme related investments by way of equity or loan rather than by making grants to beneficiaries and the trustees consider that the preparation of accruals accounts would explain these transactions more clearly.

In each of these cases, accruals accounts can provide a clearer picture of the charity's activities and financial affairs than receipts and payments accounts.

Use of receipts and payments forms

How can these forms be used?

The pro forma receipts and payments accounts can be used in one of two ways:

(i) where trustees do not wish to design their own annual accounts they may enter the relevant details and amounts from the cash book (and other) records of the charity on to the forms; or

(ii) trustees who want to produce their own form of receipts and payment accounts can use the forms as a checklist.

Must trustees use this format for receipts and payments accounts?

No. There is no statutory format for **receipts and payments accounts** in England and Wales. The pro forma account forms are designed to meet **minimum** recommended levels of accountability.

Note however that there are statutory requirements for **Trustees' Annual Reports** and **Independent Examiners Reports**. The pro formas provided for these documents, properly completed, will meet the statutory requirements.

What statements need to be prepared?

The report and accounts of registered charities preparing receipts and payments accounts will usually consist of **FOUR** related documents:

THREE are prepared by the trustees:

- **A Trustees' Annual Report** - Giving details about the charity's activities for the public benefit in the year. We have produced a pro forma for this report.
- **A Receipts and Payments Account** - providing an analysis of the incoming and outgoing **cash** for the year.
- **A Statement of Assets and Liabilities** - outlining the charities main assets and liabilities at the end of the year and including the cash balances at the year end shown in the receipts and payments accounts.

ONE document is prepared by either an independent examiner or an auditor. An audit or independent examination is only required if the charity's gross income is over £25,000, or if the trustees choose to have an audit or an independent examination.

Most charities preparing receipts and payments accounts choose to have an independent examination of their accounts instead of an audit.

Features of receipts and payments accounts

Record cash movements only

Receipts and payments accounts are statements that summarise the movement of cash into and out of the charity during the financial year. In this context 'cash' includes cash equivalents, for example, bank and building society current and other cash accounts into which money is banked or used to make payments.

Summaries of cash movements

Although there is no legally required format for receipts and payments accounts, it is generally accepted that they should not report all individual receipts and payments (like a cash book) but should summarise similar items. For example, all voluntary donations received could be shown as one entry and all payments for one activity or cost category can be shown as one entry.

Required and recommended content

There are no specific requirements in England and Wales for what needs to be included in receipts and payments accounts except for CIOs. Charities should consider carefully reporting what readers of accounts might want to know, especially how much has been spent on the charity's primary purpose and fundraising.

The Charitable Incorporated Organisations (General) Regulations 2012 do require the following information to be given by way of note:

a) particulars of any guarantee given by the CIO, where any potential liability under the guarantee is outstanding at the date of the statement of assets and liabilities; and

b) particulars of any debt outstanding at the date the statement of assets and liabilities which is owed by the CIO and which is secured by an express charge on any of the assets of the CIO.

Differences from accruals accounts

Receipts and payments accounts include some items that do not appear in accruals accounts. These extra items involve either exchanging cash for other assets or exchanging other assets for cash. Examples include receipts from the sale of fixed assets or investments. Although such items should be included in receipts and payments accounts, they should form a separate category from other items in the accounts as they do not represent resources moving into or out of the charity.

Similarly receipts and payments accounts exclude some items that are included in accruals accounts. These excluded items mainly involve changes in the value of assets, such as investments, buildings, creditors and debtors, which are not accounted for in receipts and payments accounts. This means that receipts and payments accounts will not contain any amounts for depreciation, gifts in kind, bad debts or gains and losses on sales of investments or fixed assets.

Assets and liabilities

A statement listing **assets and liabilities** is required in receipts and payments accounts (in place of a balance sheet required for accruals accounts). However, no asset valuations are required, unless a valuation is essential to a meaningful description of the asset - such as cash or deposit account balances. Valuations (even approximate ones) may be provided if trustees wish.

Notes to the accounts

Notes are seldom necessary, although if notes would help the reader to understand the accounts better, they should be added. Examples of notes that may be included are:

- information about significant non-monetary resources, for example donated goods and services;
- a brief note on transactions with related parties and trustees;
- details of any remuneration or expenses paid to any trustee or related party; and
- details of the movement on particular restricted funds (where this may be useful to donors who stipulated how money was to be spent).

These matters may alternatively be included in the Trustees' Annual Report if separate notes to the accounts are not prepared.

However, CIOs must make the relevant note disclosures to the statement of assets and liabilities where these apply to them.

Accounting standards

Receipts and payments accounts are not expected to show a 'true and fair view' of the charity's financial activities and state of affairs as is required with accounts prepared on the accruals basis. **Accounting standards**, which are primarily concerned with the presentation of a true and fair view, do not apply to receipts and payments accounts.

However:

- receipts and payments accounts should be prepared in a consistent way from year to year; and
- if valuations are provided in the statement of assets and liabilities, they should be relevant, reliable and understandable.

Tips on preparing receipts and payments accounts

Where should the cut-off point be at the year end?

The closing cash balance to report in the accounts should be:

- the cash balance on the last day of the financial year;
- **plus** any money received before the end of the year but only banked in the following year;
- **less** any cheques written or other payments made before the end of the year but not cleared through the bank until the following year.

Accounting for separate funds

Trust law requires that trustees should be able to account separately for each restricted, endowment and unrestricted fund that they manage. However, a separate bank account is not required for each fund provided that the bookkeeping records (for example, cash book and supporting documents) allow the trustees to identify the receipts and payments of each fund and the related assets and liabilities.

When preparing year-end accounts, trustees may **either**:

- prepare a separate receipts and payment account for each fund that they manage; **or**
- combine all types of fund in a single statement showing each type of fund in a separate column.

The pro forma receipts and payments accounts adopt an approach that allows trustees to prepare a single statement covering all categories of funds.

How to summarise cash movements

Receipts and payments accounts **summarise** cash movements. Therefore all payments for similar types of expense (eg wages) or similar activities (eg running an advice centre) and all receipts of similar types (eg donations) should be added together. Significant items (eg a large grant) may, for clarity, be shown separately in the accounts or explained in a note to the accounts.

There are two ways in which payments and receipts are normally analysed:

- **by nature**
  - for payments this means wages, rent, electricity, etc; and
  - for receipts this means donations, trading income, etc.
- **by activity**
  - for payments this means costs of generating funds, costs of charitable activities, governance costs; and
  - for receipts this means receipts from generated funds, receipts from charitable activities.

Table 1 gives an example of the types of headings that might be used under the 'natural' classification and Table 2 provides the headings that would be used where the 'activity' classification is adopted.

Trustees may use either of these analysis methods or any other method that gives a reasonable summary of receipts and payments.

The Charities SORP 2005 adopts activity groupings for accruals accounts of charities above the audit threshold and Table 2 (together with entries in the Glossary) provide more detail of what would be included in each activity group heading. Activities are directly related to what is taking place in the charity and not simply what type of payment has been made.

Apportionment

Sometimes payments are made (or receipts received) for more than one activity (eg stationery is used for both fundraising and charitable purposes) or for more than one fund (for example, a payment is partly for routine property maintenance and partly for an improvement funded by a restricted grant). In such cases the payment should be apportioned on a reasonable basis and charged to the activities or funds to which that payment relates.

If payments are analysed using an 'activity' classification then it is likely that payments will often require apportionment. For example, an administrator is shared between a fundraiser and an advice centre staff member. In this example, an estimate should be made of a reasonable cost to be charged to each activity. For example, if the administrator shares time equally between the two roles, then it would be reasonable to share the costs equally between the two activities (fundraising and charitable activities).

Where a single payment (or receipt) relates to different funds (for example, restricted and unrestricted) then the payment or receipt must be apportioned reasonably between the respective funds in the receipts and payments accounts.

Endowment funds

Where a charity has an endowment fund which consists of investments:

- Receipts generated by endowment fund assets (for example, dividends, interest, rent etc) will appear in the unrestricted funds column, or restricted funds column if the receipt can only be applied for a restricted purpose, and not in the endowment funds column.
- Receipts from the disposal of investments, or payments to acquire new investments should be included within the endowment column.
- Payments made for managing the fund (see Glossary: investment management costs) should be taken from the capital of the investments in the fund.

However, the investment management costs will not be paid from the endowment capital if:

- the governing document of the endowment says they must not be; or
- there are insufficient available capital funds in the endowment to meet such costs.

In these cases investment management costs may need to be charged against unrestricted funds.

Statement of assets and liabilities

The **statement of assets and liabilities** should provide sufficient detail to give the readers of the accounts a broad understanding of the type of assets controlled by the trustees and any material liabilities that need to be met from the funds.

There is no need to list all individual assets (eg each chair and table or each individual holding for listed investments) but the list should be sufficient to identify the main categories of asset held by the charity.

A description of assets held may be sufficient, unless an amount or value is needed to provide a meaningful understanding of the asset. For example, in the case of cash and other monetary assets such as building society deposits, the cash value would be given. Trustees should take a reasonable approach to a valuation. Possible approaches could be assets' cost, insurance value or market value (eg for listed shares). No professional valuations are required but if one is available (perhaps as a result of an insurance survey) then this may be used.

Gifts of assets and services

Gifts of assets and gifts of services are not included in receipts and payments accounts. Gifted assets should however be included within the statement of assets and liabilities. There is no requirement to value volunteers' time, though trustees may choose to refer to the contribution made by volunteers in their Annual Report or in a note to the accounts to explain such contributions.

Notes to the accounts

There is no outline page in the pro forma accounts for any notes to the accounts. If trustees need to add any notes, then they can do so on additional sheets.

Detailed notes for completing receipts and payments accounts

General

Round all amounts to the nearest £ (eg £4.60 becomes £5).

Even if the trustees do not prepare the accounts and the Trustees' Annual Report, all trustees, not just the treasurer, are responsible for both their content and accuracy. The trustees should formally approve the report and accounts at one of their meetings.

There may be other information that trustees wish to include to provide a fuller understanding of a transaction or events. Any additional information the trustees believe is necessary for a better understanding of the accounts should be added on extra sheets.

The receipts and payments account form has a column for 'last year's figures'. Whilst it is not compulsory to complete this column, it is good practice and assists understanding of the current year's figures.

Which columns to complete?

Where charities only have an unrestricted (or general) fund, then the trustees will only need to enter amounts in the first column of the receipts and payments accounts. If charities have restricted and/or endowment funds, then they will have to complete these additional columns as well.

In the statement of assets and liabilities trustees will need to detail the fund to which the asset or liability relates.

Analysis of receipts and payments

The first page of the accounts pro forma is to record a summary of the receipts (top part of the form) and payments (lower part of the form) of the charity.

As explained above, charities may summarise receipts and payments in any way they wish. However, it is suggested that charities should report three types of transaction on special rows. These three types of transaction are:

- receipts from the sale of any of the charity's assets or investments as these receipts do not increase the assets of the charity - just convert them from one form to another (see A2 in tables 1 and 2);
- payments to purchase assets or investments as these payments do not represent assets being used up by the charity - just being converted to another form (see A4 in tables 1 and 2);
- transfers from one type of fund to another, for example from the unrestricted fund to a restricted fund to meet a deficit on a project (see note A5).

The recommended presentation should help readers of the accounts to see how much the charity has:

- received to support its work, A1 in tables 1 and 2. (and this equates 'Gross Income' for threshold purposes);
- paid out to undertake its activities;
- transferred to and from other assets and investments.

Notes for completing receipts and payments accounts

The following notes identify what should be included in each section of the receipts and payments accounts. They also compare the approach using natural categories to that using activities.

Table 1
Examples of natural receipts & payments categories
A1 Receipts
This section should summarise all the receipts (other than receipts from sale of assets and investments, etc) using either a natural or activity classification. **The total of this section is accepted by the Charity Commission as being the gross income figure for entry on the annual return.**
Donations, legacies and grants
Fundraising events, eg raffles, jumble sales, coffee mornings etc
Interest on deposit account
Dividends on investments
Members' subscriptions
Fees for charitable services (eg advice services)
Hire of hall and equipment
A2 Asset and investment sales
Receipts from sale of fixed assets
Receipts from sale of investments
Loan repayments received
Loans received from external funder

Table 2
Example of activity based receipts & payments categories
A1 Receipts
This section should summarise all the receipts (other than receipts from sale of assets and investments, etc) using either a natural or activity classification. **The total of this section is accepted by the Charity Commission as being the gross income figure for entry on the annual return.**
Voluntary receipts
Activities for generating funds (trading)
Investment dividends/interest
Charitable activities
Other receipts
A2 Asset and investment sales
Receipts from sale of fixed assets
Receipts from sale of investments
Loan repayments received
Loans received from an external funder

A3 Payments

This section should summarise payments (other than purchase of assets and investments, etc) using either the natural or activity classification.

Cost of fundraising events

Wages / salaries and national insurance

Pension contributions

Rent/hire of rooms

Repairs and maintenance

Light and heating

Water and sewerage

Insurance

Telephone, internet and postage

Printing, postage, stationery and computer supplies

Grants and donations paid

Bank interest and charges

A4 Asset and investment purchases

Purchase of fixed assets

Purchase of investments

Loans made

Loans repaid to an external funder

A3 Payments

This section should summarise payments (other than purchase of assets and investments, etc) using either the natural or activity classification.

Costs of generating voluntary receipts

Fundraising costs (trading activities)

Investment management costs

Costs of charitable activities

Governance costs

A4 Asset and investment purchases

Purchase of fixed assets

Purchase of investments

Loans made

Loans repaid to an external funder

Transfers and movements

A5	The **transfers between funds** row should be used to show any **transfers** between restricted, unrestricted and endowment funds. The total of these transfers should be zero. This row should include transfers from: • unrestricted (general) funds to meet a deficit on a restricted fund; • an expendable endowment to an unrestricted (general) or restricted income fund to spend on charitable purposes; and • a restricted fund of any unspent funds to unrestricted (general) funds with the agreement of the donor or the consent of the Charity Commission. Where any expendable endowment funds are transferred to unrestricted or restricted income funds, there must be authority for this either from the charity's governing document or from the Charity Commission. If any such transfers are made, please give details in a note of the authority for the transfer.
A6	The cash balances brought forward from last year end should be those held in all the charity's cash and deposit accounts.

Notes for completing the statement of assets and liabilities

This should include a summary of the assets and liabilities held by the charity, grouping similar assets where there are many small items. If assets belong to a restricted or endowment fund, please indicate this on the form. The form provides spaces to give details of each class of assets and liabilities held.

B1	**Cash funds** should include all cash, and bank and building society current and deposit accounts or other cash accounts into which money can be banked or used to make payments.
B2	**Other monetary assets** may include: • tax reclaim(s) due; • recoverable grants and charitable loans due to the charity; and • other debts (recoverable amounts) due to the charity.
B3	**Investment assets** may include: • government stocks, etc; • other quoted securities; • properties held primarily for investment purposes; • investments in subsidiary or associated companies; and • other investments.
B4	**Assets retained for the charity's own use** may include: • land and buildings primarily occupied by the charity; • motor vehicles; • computers and other equipment; • furniture, fixtures and fittings; • heritage assets; and • other assets used by the charity in delivering its objectives.
B5	**Liabilities** may include: Those immediately due, for example: • taxes due +but not yet paid; • amounts due to staff for wages, salaries, etc; and • suppliers' accounts not yet paid. Those payable some time in the future or that are contingent, for example: • loan liabilities (details of lenders, terms, etc may be added); • amounts payable on hire purchase and other leasing arrangements; and • any other liabilities.

Glossary of terms

Accruals accounts report the value of resources held by an organisation at the beginning and end of any accounting year and the movement of those resources between the two dates. They require the measurement and valuation of assets and liabilities. A clear understanding of the rules and conventions used by accountants is necessary for their preparation.

Accruals accounts include all resources (compared with simply cash resources reported in receipts and payments accounts) and a report on movement of resources (in the Statement of Financial Activities) which must reconcile with a statement of opening and closing resources (the balance sheet).

Accounting (or financial) year is the period which the accounts cover. It is normally a calendar year. Charities may change their year end (but only once in three years) to a financial year as long as 18 months or as short as 6 months. All the threshold limits in the Charities Act apply to the 'accounting year' even if this year is shorter or longer than a calendar year.

Activities for generating funds include receipts from:

- fundraising events such as jumble sales, fireworks displays and concerts;
- trading activities to generate funds such as the sale of Christmas cards and other merchandise;
- sponsorships and social lotteries that are not pure donations;
- shop sales from selling donated and bought-in goods;
- services other than those provided to beneficiaries; and
- letting and licensing arrangements of property held primarily for functional use by the charity but temporarily surplus to requirements.

Assets provide a future benefit to the charity. Assets include land, buildings, equipment, furniture, investments, trading stock, debtors, cash, deposit accounts, etc.

Charitable incorporated organisation (CIOs) is a charity registered as a body corporate under Part 11 of the Charities Act 2011.

Company charities are charities which were established under the Companies Act. Company charities are also registered with Companies House and have a company number in addition to their charity number. The Companies Acts set out how company charities should prepare their accounts on an accruals basis to give a true and fair view

Costs of charitable activities are all payments made in undertaking a charity's work to deliver its charitable objectives for the public benefit and include:

- grants to individual beneficiaries for charitable purposes and/or paid to charitable and other institutions;
- payments for goods/services provided to beneficiaries and payments for charitable activities (eg provision of advice).

Costs of generating voluntary receipts include payments made by a charity, to raise donations, grants and legacies and similar voluntary receipts. Such costs include:

- producing fundraising advertising, marketing and direct mail materials, as well as any remuneration payable to an agent; and
- publicity costs supporting fundraising but not those used in an educational manner in furtherance of the charity's objects.

This category excludes the costs of trading activities.

Creditors are persons or organisations to whom the charity owes money for supplies of goods and services or loans received.

Debtors are persons or organisations that owe money to the charity, normally for supplies of goods or services but also for loans made and legacies

Donated services and facilities is assistance in the form of donated facilities, beneficial loan arrangements, donated services or voluntary help. These items will not appear in receipts and payments accounts, but trustees may wish to refer to the support in their Annual Report.

Fundraising costs include:

- cost of generating voluntary receipts (see above); and
- fundraising trading payments comprising the costs of trading to raise funds including payments to buy goods for resale and any other payments associated with a trading activity.

Funds - Endowment funds are funds that the charity is prohibited by the governing document from spending as income. Normally these will be investments but may also be property held as endowment for use by the charity. The investment receipts must be spent for the purposes indicated in the governing document. There are two forms of endowment: permanent and expendable (explained below).

Funds - Permanent endowment is a type of endowment fund (see above) where the trustees do not have the power to spend the capital.

Funds - Expendable endowment is a type of endowment fund (see above) where the trustees have the option, under certain conditions, to spend the capital as if it were income of the charity.

Funds - Restricted income are those funds that the trustees are obliged to spend only on particular purposes set out by the donor or in an appeal document and these particular purposes are narrower than the charity's objects.

Funds - Designated funds are part of unrestricted funds which the trustees have set aside or earmarked to be used for a particular purpose. They are not legally distinct funds and trustees can at any time redesignate them for other purposes. They should be shown as part of unrestricted funds.

Funds - Unrestricted funds are those funds that the trustees are able to spend for any of the charity's charitable purposes.

Gifts in kind are gifts of assets other than cash, such as articles to given to or be used by beneficiaries (toys for a playgroup) or to be sold to raise cash (second-hand clothing). Only the proceeds of sale of gifts in kind will appear in receipts and payments accounts, but trustees may wish to refer to what was given in their Annual Report.

Governance costs are those payments associated with the governance arrangements of the charity and relate to the general management of the charity as opposed to those costs associated with fundraising or charitable activity. These payments will normally include:

- independent examination, or audit;
- costs associated with constitutional and statutory requirements, for example, the cost of trustee meetings, preparing statutory accounts and associated legal advice;
- any costs associated with the strategic as opposed to day to day management of the charity's activities.

Gross income The Charities Act section 353(1) defines gross income to mean the gross recorded income from all sources including special trusts. For accounts prepared on a receipts and payments basis gross income is simply the total receipts recorded in the statement of accounts excluding endowments, loans and proceeds from sale of investments or fixed assets. For charities using these pro forma accounts their gross income is the total receipts shown in section A1 of the pro forma accounts. For accounts prepared on an accruals basis gross income is the total incoming resources are shown in the Statement of Financial Activities (prepared in accordance with the SORP) for all funds but excluding any endowment and including any amount transferred from endowment funds to income funds during the year so as to be available for expenditure. For further information refer to the glossary and supporting information relating to your charity's Annual Return.

Heritage assets are those assets held by the charity in pursuit of preservation or conservation objectives. For more information refer to the SORP.

Investments are assets that are held to generate a return by way of income, capital growth or both. Investments may include government gilts, shares, bonds and deposit accounts when held as an investment.

Investment receipts are assets that are held to generate a return by way of income, capital growth or both. Investments may include government gilts, shares, bonds and deposit accounts when held as an investment.

Investment management costs will include any payments for:

- portfolio management charges;
- investment advice; and
- management or maintenance of investment property.

Liability is an obligation to pay for something. Liabilities include loans, creditors, bank overdrafts, etc.

Materiality is used to describe the importance of including a description or the amount of an item in accounts. An item is material if its inclusion or exclusion from the accounts would be likely to change a user's view of the charity's activities or of its assets or liabilities. Normally the larger the item the more material it is likely to be. Some items will always be material due to their nature, for example payment of expenses to trustees.

Receipts earned from investment assets may include:

- dividends/interest from investments;
- interest on loans made to a subsidiary;
- rents from a property held as an investment; and
- tax reclaims on investment receipts.

Receipts from charitable activities consist of receipts from trading within the charity's objects. Examples of this type of trading receipt include fees received in a playgroup, fees for advice or counselling services and the sale of religious booklets by a religious charity. Sometimes grants received (for example from local authorities) are more like trading receipts (for example where there is a service level agreement). When this is the case, it is acceptable for grants to be included here instead of as voluntary receipts.

Related parties are those parties with whom the charity has a relationship that might inhibit it from objectively pursuing its own separate interests. This will include charity trustees, those connected with a charity trustee by, for example, a close family relationship, and any other party that can exert significant influence over the operations of the charity.

Voluntary receipts comprise gifts that will not normally provide any return to the donor other than the knowledge that someone will benefit from the donation. They will thus exclude any gifts that are quasi-contractual (in that a certain service to a certain level must be provided) but they would include gifts that must be spent on some particular area of work (ie restricted funds). Voluntary receipts include:

- gifts, donations and appeals including legacies and bequests;
- grants which provide core funding or are of a general nature, provided by government and charitable foundations;
- membership subscriptions and sponsorships which are, in substance, donations; and
- tax reclaims on Gift Aid donations.