



Charitable company accounts templates

Completion notes

Section 1: Introduction

The Charities SORP (FRS 102) applies to accounting periods beginning on or after 1 January 2015. In 2016, Update Bulletin 1 amended this SORP and the changes made by this apply to accounting periods beginning on or after 1 January 2016. The pro forma accounts incorporate these changes so by using them, you are choosing to adopt Update Bulletin 1 early. These guidance notes reflect the requirements for reporting periods beginning on or after 1 January 2016 following Update Bulletin 1.



Companies House

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The accounts pack prepared by the Charity Commission meets the statutory requirements for filing by charitable companies filing under the Companies Act 2006 and the regulations as they apply to small companies that are in effect at the date of the pack's release. Companies House is pleased to support the Charity Commission in their endeavour to assist those smaller charitable companies which meet the criteria for the use of the reports and accounts pack to file their report and accounts. Companies House will accept filings using this reports and accounts pack provided all of the following criteria are met:

- the preparer has ensured that their charity meets the criteria set out in the pack for its use
- the preparer has ensured all the required statements, including exemption from audit, are provided
- the preparer should ensure that the full company name, as shown on the company's incorporation certificate, and the correct company number are given
- the directors have approved the completed report and accounts
- the directors are satisfied that the accounts provide a true and fair view in compliance with company law

Companies House reserves the right to reject non-compliant filings and apply charges and fines as appropriate. The responsibility for submitting a directors' report and accounts compliant with the Companies Act 2006 and applicable regulations lies with the company's directors. Companies House may reject non-compliant filings and if accounts are filed after the deadline the company may receive a late filing penalty.

Purpose of pro forma accounts

These pro forma accounts are designed to help small company charities prepare and present accruals accounts. They provide a format for such accounts and set out the key disclosures contained in the Charities SORP (FRS 102).

The pro forma accounts and notes to the accounts when fully completed will include all the information necessary for smaller charitable companies.

Charities that should not use the pro forma accounts

The pro forma accounts should not be used if the charity:

- is preparing its accounts using natural categories
- has an income exceeding £500,000
- opts to have its accounts audited although there is no requirement to do so
- is required to follow another SORP or an alternative regulatory framework (for example, registered social landlords)
- has decided, when preparing the accounts, not to follow the FRS102 SORP (3.41, 3.42 FRS102 SORP)
- is an investment fund charity, which includes common deposit funds, common investment funds and pooling scheme funds
- has a material subsidiary undertaking, joint venture or associated trading undertakings
- has permanent endowment and is using the total return approach to investing the endowment
- is preparing group or linked accounts
- is operating a defined benefit pension scheme unless it is accounted for as a defined contribution scheme (eg. in the situation where a charity is unable to ascertain its share of the underlying assets and liabilities)
- has financial assets and financial liabilities which do not meet the FRS 102 definition of basic financial instruments

Trustees of charities where these pro forma accounts are unsuitable should either:

- refer to the appropriate publications such as the Charities SORP (FRS 102) for more detailed guidance
- consider using an accountant familiar with the Charities SORP (FRS102) to help prepare the accounts.

Trustees of charities also registered in Scotland should check the website of the Office of the Scottish Charity Regulator to identify if any additional information is required to comply with charity law in Scotland and then amend this pro forma accordingly.

Section 2: General guidance notes

This section provides guidance on:

- how the pro forma accounts can be used
- how precise the accounts need to be
- rounding
- netting off
- what activities and resources the accounts must include
- what statements the accounts must include

How can the pro forma be used?

These pro forma accounts are based on the general methods and principles of the Charities SORP (FRS 102).

The pro forma accounts have been designed to cover most circumstances that are likely to apply to smaller charities. However, charity trustees must take care that they provide any additional information necessary to give a true and fair view of their charity's activities and financial position. If there are other matters which are material and necessary to include a proper understanding of the accounts but are not specifically provided for in the pro forma accounts, then further details should be given by additional notes.

Where a charity needs to account for a complex transaction or one that is unusual for smaller charities then reference will need to be made to the Charities SORP or advice may be necessary from a professional accountant.

The pro forma accounts when properly completed with information and amounts from the charity's accounting records, will meet the charity's legal requirements for preparing annual accounts.

The charity trustees/directors must approve the accounts and at least one (but we recommend two) of them should sign the balance sheet as evidence of approval.

How precise do the charity's accounts need to be?

The word material is used often in the Charities FRS102 SORP and in these notes. An item is material if its inclusion or exclusion from the accounts would be likely to change a reader's view about the accounts. Normally the larger the item the more material it is likely to be.

Reporting details of small value items is often not necessary as they do not affect a readers overall understanding of the accounts. For example, amounts under £1 are never important and can be ignored. Some items may or may not require reporting depending on the size of the charity (measured by gross income or balance sheet totals). For example, it may be material to include in the balance sheet a tangible fixed asset costing £500 if the charity has £10,000 gross income but it would be much less material if a charity has £250,000 gross income.

Some items may always be material to charities, for example, amounts paid to trustees for expenses or remuneration and amounts paid to related parties.

All information requested in the pro forma accounts should be given unless:

- it does not apply to the charity; or
- it is identified in the pro forma accounts as information that the trustees may choose to give

Rounding

It is usual to prepare accounts in whole £s. Amounts are rounded to the nearest £ (eg £4.60 becomes £5).

No netting off

All the incoming resources for the year are included in the statement of financial activities gross. For example, the gross takings from a fund raising event should be shown as incoming resources and expenses associated with the event shown as resources expended.

Presentation currency

The presentation currency is the currency in which the accounts are denominated. A charity should normally prepare its accounts in the currency of the jurisdiction of its administration unless it operates predominantly by generating and spending its cash in a different currency. Where a charity operates predominantly in a different currency, it should prepare its accounts in that currency.

What does a complete set of charitable company accounts contain?

To satisfy the requirements of both the Charity Commission and Companies House you will need to prepare the following list of items:

1. A Trustee's Annual Report (to include the Directors' Report) which provides background information about the charity and a written explanation of what the charity is trying to do and how it goes about it. A pro forma is available on the charity commission website.
2. A complete accounts package which contains:
 - a. A statement of financial activities (SoFA) including an income and expenditure account
 - b. A balance sheet
 - c. Notes to the accounts.
3. The accounts will also normally be accompanied by a report from either:
 - an independent examiner (provided the charity is below the audit threshold) or
 - a registered auditor (if the charity is over the audit threshold or chooses to have a full audit of its accounts).

Most charities for which these pro forma accounts were designed are only required by the law to have an independent examination. For accounting periods ending on or after 1 April 2009, charities with a gross income of £25,000 or less are not required by law to have an independent examination or audit. Some charities will also have a requirement in their governing document, or imposed by a donor, to have an independent examination or audit by a registered auditor.

A pro forma independent examiner's report is available from the charity commission and should be submitted with the accounts and TAR.

What do I submit to the Charity Commission?

To comply with s164 Charities Act 2011, the following must be submitted to the Charity Commission:

- Independent Examiner's Report or Auditor's report (if applicable)
- A Trustee's Annual Report
- A statement of financial activities (SoFA);
- An income and expenditure account;
- A balance sheet; and
- Notes to the accounts.

What do I submit to Companies House?

You have two options:

- All of the above (as for the Charity Commission) or
- The above minus any or all of:
 - Independent Examiner's Report or Auditor's report (if applicable)
 - Trustee's Annual Report
 - Statement of financial activities (SoFA);
 - Income and expenditure account;

For Companies House the minimum you can file is a balance sheet and notes.

If you choose not to include the SOFA for Companies House you should include the following sentence on your balance sheet:

'The company has opted not to file a copy of their P&L at Companies House in accordance with section 444 of the Companies Act 2006.'

However, charities leaving out items when filing with Companies House must remember to include all items listed above when submitting to the Charity Commission.

What activities and resources must the accounts include:

The accounts should include all funds that the charity trustees manage and control. This is to ensure that someone reading the accounts gets a full understanding of the assets, liabilities and resource movement of the charity.

Section 3: Statement of financial activities (SoFA) (including income and expenditure account)

The SoFA records all the incoming resources and resources expended by the charity in the financial year.

The pro forma SoFA is divided into columns and rows which are numbered. A summary is provided of what should be entered into each column and row.

Activity categories

The analysis of income and expenditure by activity is encouraged for all charities preparing accruals accounts. However, charities not subject to statutory audit are not required to report their income and expenditure on an activity basis and may choose to adopt an alternative approach, for example an analysis based on the nature of the income and expenditure. Charities choosing to analyse income and expenditure using a basis other than the activity basis should not use these pro forma accounts.

Where activity categories are used, costs which relate to more than one activity can be apportioned between activities.

Columns – fund accounting

F01 to F05 describe what should be entered into each column

F01	This column is for all amounts relating to unrestricted funds .
F02	This column is for all amounts relating to restricted income funds .
F03	This column is only for movements on endowment funds .
F04	This column is the total of columns F01, F02 and F03 .
F05	This column is the total funds entered in the accounts for the previous year.

Section 3: Statement of financial activities (SoFA)

(cont)

Rows – income

Rows S01 to S07 below explain what should be included in each category of income where the charity trustees choose to follow the recommended “activity” categories of the FRS 102 SORP.

Row	Analysis category	Explanation
S01	Donations and legacies	<p>Income from donations and legacies comprises incomes generated from the following sources:</p> <ul style="list-style-type: none"> • gifts and donations received/receivable including legacies • any tax reclaimed on amounts received under gift aid • grants that provide core funding or are of a general nature • membership subscriptions and sponsorships where these are, in substance, donations • gifts in kind and donated services and facilities <p>Income from donations and legacies is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 4.31 and 4.32.</p>
S02	Charitable activities	<p>This includes:</p> <ul style="list-style-type: none"> • sale of goods or services as a charitable activity • sale of goods made or services provided by the charity’s beneficiaries • letting of non-investment property in furtherance of the charity’s objects • grants specifically for the provision of goods or services as part of charitable activities or services to beneficiaries (including performance-related grants) • ancillary trades connected with the above <p>Income from charitable activities is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.33 to 4.34.</p>

Section 3: Statement of financial activities (SoFA)

(cont)

Row	Analysis category	Explanation
S03	Other trading activities	<p>This includes income from trading activities that specifically raise funds for the charity; for example:</p> <ul style="list-style-type: none"> • fundraising events such as jumble sales, firework displays and concerts • sponsorships and social lotteries which are not pure donations • shop income from selling donated goods and bought-in goods • providing goods and services other than for the benefit of the charity's beneficiaries • letting and licensing property held mainly for functional use but temporarily surplus to requirements <p>Income from other trading activities is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.35 to 4.36.</p>
S04	Investments	<p>Investment income includes income from investment assets, including dividends, interest receivable and rent, but excludes realised and unrealised investment gains and losses (see S16 below).</p> <p>Investment income is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.37 to 4.38.</p>
S05	Separate material item of income	<p>This line should be used where a material item of income occurs which falls within the ordinary activities of the charity but because of its size or incidence needs to be disclosed separately.</p>
S06	Other	<p>This amount includes gains on the disposal of tangible fixed assets and receipt of any other income that cannot be accounted for in the categories above (S01 to S05). It may also include the conversion of endowment funds into income.</p> <p>Other income is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.39 to 4.41.</p>
S07	Total	Total of rows S01 to S06.

Section 3: Statement of financial activities (SoFA)

(cont)

Rows – expenditure

Rows S08 to S011 below explain what should be included in each category of expenditure where the charity trustees choose to follow the recommended 'activity' categories of the FRS 102 SORP.

Row	Analysis category	Explanation
S08	Raising funds	<p>These costs are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.44 to 4.45.</p> <p>This amount includes expenditure on seeking donations and legacies for example donations, legacies, core funding grants and gifts in kind. The costs may include fundraising, advertising, marketing and direct mail materials, as well as any payments to an agent.</p> <p>They will normally include publicity costs but exclude the cost of educational material produced to promote the charity's work, which is classed as a cost of charitable activities.</p>
S09	Charitable activities	<p>These comprise all the expenditure incurred in meeting the charitable objectives including amounts spent on:</p> <ul style="list-style-type: none"> • grants • the direct provision of charitable service • a proportion of the charity's support costs which, if allocated, will be explained in the notes to the accounts <p>They exclude:</p> <ul style="list-style-type: none"> • the cost of raising funds to finance these activities <p>These costs are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.52 to 4.55.</p>
S10	Separate material expense item	<p>This line should be used where a material item of expense occurs which falls within the ordinary activities of the charity but because of its size or incidence needs to be disclosed separately.</p>
S11	Other	<p>Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities. Other expenditure is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 4.56.</p>
S12	Total	Total of rows S08 to S10.

Section 3: Statement of financial activities (SoFA)

(cont)

Rows – remaining

Row	Analysis category	Explanation
S13	Net income/(expenditure) before tax for the reporting period	This is the total in row S07 less the total in row S12.
S14	Tax payable	This is the amount of any tax on activities, paragraph 15.12, FRS102 SORP.
S15	Net income/(expenditure) after tax before investment gains/(losses)	This is the total in row S13 less the total in row S14.
S16	Net gains/(losses) on investments	This is the total of any unrealised gains and losses resulting from the revaluation of investment assets to market value, and gains and losses realised on the disposal of investment assets during the year. Gains/(losses) on investment assets is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 4.59.
S17	Net income/(expenditure)	This is the total in row S15 plus/(less) the total in row S16.
S18	Extraordinary items	Extraordinary items are material items or transactions that: <ul style="list-style-type: none"> • fall outside of the charity's ordinary activities • are abnormal in their nature • are not expected to recur In the unlikely event of their occurrence, extraordinary items must be disclosed on the face of the SoFA. Extraordinary items are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 4.17.
S19	Transfers between funds	Any transfers between funds are analysed in these rows.
S20	Gains and losses on revaluation of fixed assets for the charity's own use	These are the gains or losses on the revaluation of property, plant and equipment used by the charity, and heritage and intangible assets. A reversal of a previous valuation increase is included here but any charge for impairment is included in the relevant expenditure heading(s). Gains/(losses) on revaluation of fixed assets is defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 4.62.

Section 3: Statement of financial activities (SoFA)

(cont)

Row	Analysis category	Explanation
S21	Other gains/(losses)	Other gains and losses includes any other gains or losses required by accounting standards or which company law requires to be recognised outside of a charity's income and expenditure account. Others gains or losses are explained in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 4.65 and 4.66.
S22	Net movement in funds	Total of rows S17 to S21.
S23	Total funds brought forward	The brought forward balances at the beginning of the year.
S24	Total funds carried forward	Total of rows S22 and S23.

Section 4: Balance sheet

The balance sheet provides a 'snapshot' of the charity's assets and liabilities at the end of the financial year.

The FRS102 Charities' SORP requires a breakdown of the assets and liabilities of the charity between unrestricted and restricted income funds and endowment funds. The pro forma accounts provide this breakdown by the use of a columnar balance sheet with the assets and liabilities of each fund category being entered in the separate columns provided. A charity can alternatively provide a breakdown in a note to the accounts.

Columns – fund accounting

F01 to F05 describe what should be entered into each column

F01	This column is for all assets and liabilities that belong to unrestricted income funds.
F02	This column is for all assets and liabilities that belong to restricted income funds.
F03	This column is for all assets and liabilities that belong to endowment funds.
F04	Total of columns F01, F02 and F03 giving total assets and liabilities for all funds.
F05	This column gives total assets and liabilities of all funds for the previous year.

Rows – assets and liabilities

B01 to B23 describe what should be entered into each row of the balance sheet.

Row	Analysis category	Explanation
B01	Intangible assets	Intangible assets are non-monetary fixed assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. They include such things as goodwill, concessions, patents, licences and trademarks. Intangible assets are explained in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 10.18.
B02	Tangible assets	Tangible fixed assets, such as land and buildings, plant, vehicles and equipment, are held to provide an on-going economic benefit to the charity through their contribution to the provision of goods or services by the charity. They are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 10.25 to 10.26.

Section 4: Balance sheet

(cont)

Row	Analysis category	Explanation
B03	Heritage assets	Heritage assets are assets with historic, artistic, scientific, technological, geophysical or environmental qualities that are held principally for their contribution to knowledge and culture. Heritage assets are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 10.39 to 10.40.
B04	Investments	Fixed Asset Investments are held for the long term to generate income or gains and may include quoted and unquoted shares, bonds, gilts, common investment funds, investment property and term deposits held as part of an investment portfolio. Fixed asset investments include programme-related investments and are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraphs 10.41 to 10.56.
B05	Total fixed assets	Total of B01 to B04.
B06	Stocks	This is the total amount of stock held at the year end. Stock is defined in in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 10.59.
B07	Debtors	Debtors are amounts owing to the charity for goods or services or amounts the charity has paid in advance. Debtors are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 10.64.
B08	Investments	Current asset investments are investments held for resale or cash or cash equivalents with a maturity date of less than 1 year and are defined in the Charities Statement of Recommended Practice (FRS 102 SORP) at paragraph 10.70.
B09	Cash at bank and in hand	This is the total of cash held and bank balances. The Charities Statement of Recommended Practice (FRS 102 SORP), paragraph 10.74 provides details..
B10	Total current assets	Total of B06 to B09.
B11	Creditors: amounts falling due within one year	These are the amounts owing by the charity to creditors which are due to be paid within one year from the balance sheet date.
B12	Net current assets/(liabilities)	Total of B10 less B11.

Section 4: Balance sheet

(cont)

Row	Analysis category	Explanation
B13	Total assets less current liabilities	Total of B05 and B12.
B14	Creditors: amounts falling after one year	These are amounts owing by the charity to creditors which are due to be paid after more than 1 year from the balance sheet date.
B15	Provisions for liabilities	Provisions for liabilities are amounts set aside for future liabilities and charges.
B16	Total net assets or liabilities	Total of B13 to B15.

Rows – funds of the charity

The total funds entered below must agree with the net assets at row B16 of the balance sheet and the total funds entered at row S22 of the SoFA.

Row	Analysis category	Explanation
B17	Endowment funds	<p>Endowment funds are those funds which the charity must hold and retain and not spend as income. The income arising is used for charitable purposes and capital gains are retained within the fund. Include here both permanent and expendable endowment.</p> <p>The Charities Statement of Recommended Practice (FRS 102 SORP), paragraphs 2.16 to 2.20 provide details.</p>
B18	Restricted income funds	<p>Restricted funds are those funds which must be spent as income on the particular purposes specified by the donor or specifically identified in appeal literature.</p> <p>The Charities Statement of Recommended Practice (FRS 102 SORP), paragraphs 2.8 to 2.15 provide details.</p>
B19	Unrestricted funds	<p>Unrestricted funds are those funds that can be spent at the discretion of the charity trustees for any purposes of the charity. The fund balance represents the unexpended resources held within the fund, that is, its assets less liabilities.</p> <p>If some of these funds have been designated or earmarked to meet planned future expenditure, these amounts will be disclosed here.</p> <p>The Charities Statement of Recommended Practice (FRS 102 SORP), paragraphs 2.6 to 2.7 provide details.</p>

Section 4: Balance sheet

(cont)

Row	Analysis category	Explanation
B20	Revaluation reserve	A revaluation reserve represents the difference between the cost or valuation of an asset when first recognised, less any depreciation and its subsequent revalued amount. While a revaluation reserve will often form part of the unrestricted funds of the charity, any part of the reserve derived from the revaluation of assets held within a restricted fund must be shown as part of restricted funds.
B21	Fair value reserve	This will apply mainly to charities who hold investments which must be measured initially at cost and subsequently at fair value at the reporting date. A fair value reserve represents the difference between the cost or valuation of an asset when first recognised and its subsequent revalued amount.
B22	Total funds	Total of B17 to B21 giving Total Funds. Must agree to B16, Total Net Assets or Liabilities.

Section 5: Notes to the accounts

Every set of company accounts require notes which explain:

- the **basis** on which the accounts have been prepared (note 1)
- the **accounting policies** that have been adopted which explain when assets and liabilities, income and expenditure are included in the accounts and at what value (note 2.2)
- **other information** required to provide more details of what the accounting statements contain and to ensure that the accounts provide a 'true and fair' view

The table below explains what should be included in each of the notes provided.

Information to be provided in the notes to the accounts:

Note 1	The basis of accounting explains the standards and conventions used in preparing the accounts. Details must also be given if there is a change of accounting policies, a change in accounting estimates or material prior year errors.
Note 2	<p>Accounting policies explain how items are measured, recognised and disclosed in the accounts.</p> <p>When first reporting under FRS2102, section 35 of FRS102, requires 3 reconciliations to be presented, if all are applicable. These are included in Note 2.1.</p> <p>The list provided in this note show the policies applying to most small charities. Where a particular policy applies to your charity, tick the 'yes' box; if the policy does not apply, tick the 'no' box; or if the policy does not apply because the item is not relevant to your charity, tick 'N/a'. If a charity has a material item in the accounts which is not covered by the accounting policies specified, then a note should be added in the box provided.</p>
Note 3	<p>Note 3.1 allows trustees to provide an analysis of any of the amounts shown under the main headings under income in the SoFA. An analysis of 'Donations and legacies', 'income from investments' and 'other' has been provided. For the other categories of income (charitable activities, separate material item of income and other trading activities) you may provide a description of the particular activities under these headings.</p> <p>The total entered for each of these categories should agree with the totals entered in lines S01 to S06 in the SoFA.</p> <p>Where relevant, please complete the additional information boxes.</p>
Note 4	All charities in receipt of government grants must complete note 4. Paragraph 5.58 of the Charities SORP provides full details.
Note 5	All charities receiving donated goods, facilities or services must complete note 5. Paragraph 6.31 of the Charities SORP provides full details.

Section 5: Notes to the accounts

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Note 6	<p>Note 6 allows trustees to provide an analysis of any of the amounts shown under the headings under expenditure in the SoFA. An analysis of Expenditure on raising funds has been provided. For the other categories of expenditure (expenditure on charitable activities, separate material expense item and other expenditure) you may provide a description of the particular activities under these headings.</p> <p>The total entered for each of these categories should agree with the totals entered in lines S08 to S11 in the SOFA.</p> <p>Where relevant, please complete the additional information boxes.</p>
Note 7	<p>Events and transactions falling outside a charity's ordinary activities are by their nature extremely rare and are referred to as extraordinary items. Where such transactions have occurred in the financial year, please complete note 7. Paragraphs 4.16 to 4.18 of the Charities SORP provides guidance.</p>
Note 8	<p>Note 8 must be completed where a charity has acted as agent during the reporting period. Paragraphs 19.12 and 19.13 of the Charities SORP provide further information.</p>
Note 9	<p>This note provides details about support costs. This note must be completed where the charity adopts the 'activity' categories of the SORP to analyse expenditure. Support costs cannot be attributed to a single activity and include the cost of certain central or regional functions, for example, governance costs, payroll administration, purchasing, budgeting and accounting, information technology, personnel, building management services and finance.</p> <p>The note should show the amount of support costs that have been allocated or apportioned across the activity categories of the charity, the method of allocating costs to activities and the accounting policy adopted for the apportionment of costs between activities and any estimation techniques used to calculate their apportionment.</p>
Note 10	<p>This note provides specific information about fees paid for examination of the accounts. This is explained in paragraph 9.23 of the Charities SORP.</p>
Note 11	<p>This note provides specific information about staff costs (transactions with trustees are dealt with in Note 14 but see definition of 'key management personnel'). Details of the disclosures can be found in the Charities SORP paragraphs 9.26 to 9.30 and 17.21.</p> <p>An ex gratia payment is a payment, or the waiver of a right to an asset which the trustees have no legal obligation or legal power to make from the charity's funds but which they believe they have a moral obligation to make. Occasional gifts of small and inexpensive items such as flowers or chocolates should not be regarded as ex-gratia payments. Ex gratia payments to trustees are covered in note 28.</p> <p>Key management personnel are defined in Appendix 1 of the charities SORP. The definition includes trustees and those members of staff who are the senior management personnel to whom the trustees have delegated authority or responsibility in the day-to-day running of the charity.</p>
Note 12	<p>This note must be completed where a charity has a defined contribution pension scheme or a defined benefit scheme accounted for as a defined contribution scheme. Details of the disclosures can be found in paragraphs 17.21 to 17.23 of the Charities SORP.</p>

Section 5: Notes to the accounts

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Note 13	<p>The grant making note provides further information about the purposes for which grants were made and institutions supported. This note is only required if grant making is a material part of the charities activities.</p> <p>The Charities SORP requires that where a charity has made grants to institutions that the charity should provide details of a sufficient number of institutional grants to give a reasonable understanding of the range of institutions that it has supported.</p> <p>Information may only be omitted from Note 13.2 if:</p> <ul style="list-style-type: none"> • details of institutional grants are set out in the trustees' annual report • details of the charity's web page URL at which the information can be accessed is given • the trustees have exercised their right (following the Charities Act) not to disclose details of the grants made where the settlor, their spouse or civil partner are still alive. The settlor is the benefactor who established the trust by way of gift <p>or</p> <ul style="list-style-type: none"> • disclosure could result in a serious prejudice to the grant maker and /or the recipient institution or individual working for the recipient institution. Situations where serious prejudice is clearly indicated include those where disclosure could result in serious personal injury. In such cases, the charity must state as part of its disclosure of material grants made to institutions: <ul style="list-style-type: none"> • the total number, value and general purpose of those grants where these details have not been disclosed and • that an exemption applies top disclosure on the grounds of serious prejudice <p>See paragraphs 16.13 to 16.25 of the Charities SORP for full details.</p>
Note 14	<p>The tangible fixed assets note provides information about the assets used by the charity to undertake its activities. The column headings provide an analysis of fixed assets as per Table 6 FRS102 SORP.</p> <p>Charities must disclose the depreciation method used and the depreciation rate, see paragraph 10.37 FRS102 SORP for full disclosures. The methods of depreciation specified in the template are straight line or reducing balance. If another method is used please specify in the box provided.</p> <p>The total amounts for net book value at the end of the year entered in this note need to agree to the amount entered for tangible fixed assets in the balance sheet.</p> <p>An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. The impairment loss reflects a decline in the future economic benefits over and above the depreciation charged for the assets use, see module 12, FRS102 SORP. Charities must disclose a description of the events and circumstances that led to the recognition or reversal or an impairment loss.</p>

Section 5: Notes to the accounts

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Note 15	<p>This note must be completed where the charity holds intangible fixed assets.</p> <p>Charities must disclose the amortisation method used and the amortisation rate, see paragraph 10.24 FRS102 SORP for full disclosures. The methods of amortisation specified in the template are straight line or reducing balance. If another method is used please specify in the box provided.</p> <p>The total amounts for net book value at the end of the year entered in this note need to agree to the amount entered for intangible fixed assets in the balance sheet.</p> <p>An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. The impairment loss reflects a decline in the future economic benefits over and above the depreciation charged for the assets use, see module 12, FRS102 SORP. Charities must disclose a description of the events and circumstances that led to the recognition or reversal or an impairment loss.</p> <p>If any intangible fixed assets are included at a valuation, please complete note 15.6.</p> <p>'Other disclosures' require information that must be disclosed by the charity under paragraph 10.24 FRS102 SORP.</p>
Note 16	<p>The heritage assets note provides information about the assets used by the charity to undertake its activities. The column headings provide an analysis of fixed assets as per Table 6 FRS102 SORP.</p> <p>Charities must disclose the depreciation method used and the depreciation rate, see paragraph 10.37 FRS102 SORP for full disclosures. The methods of depreciation specified in the template are straight line or reducing balance. If another method is used please specify in the box provided.</p> <p>The total amounts for net book value at the end of the year entered in this note need to agree to the amount entered for heritage assets in the balance sheet.</p> <p>An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. The impairment loss reflects a decline in the future economic benefits over and above the depreciation charged for the assets use, see module 12, FRS 102 SORP. Charities must disclose a description of the events and circumstances that led to the recognition or reversal or an impairment loss.</p> <p>If any heritage assets are included at a valuation, please complete note 16.6.</p> <p>Where heritage assets are not recognised on the balance sheet, please complete note 16.8.</p> <p>A five year summary of heritage assets transactions must be included per paragraph 18.26, FRS 102 SORP.</p>

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Note 17	<p>The investments note is used to provide further information about investments held. Guidance on accounting for and disclosures relating to investments can be found in paragraphs 10.41 to 10.56, FRS 102 SORP. You may also need to consult modules 11 and 21 FRS 102 SORP.</p> <p>Fixed asset investments in quoted shares, traded bonds and similar investments and investment properties must be measured initially at cost and subsequently at fair value (their market value) at the balance sheet date (paragraph 10.44/10.48 FRS 102 SORP). Investments in shares which cannot be publically traded must be measured at cost less impairment if fair value cannot be established using a valuation technique (paragraph 11.17 FRS 102 SORP). Social investments may be measured at either fair value or cost less impairment at the year end date. You will need to consult module 21, FRS 102 SORP, for full guidance.</p> <p>Note 17.1 provides an analysis of investments at their year end value (fair value or cost less impairment) and shows movements during the financial period. Note 17.2 provides an analysis of investments at their year end value, specifying whether this is at fair value or at cost less impairment. The totals in notes 17.1 and 17.2 must agree to the totals for investments in the balance sheet.</p> <p>This template only deals with basic financial instruments which, with the exception of investments, are not affected by regulations made under the Companies Act 2006 which require a fair value reserve to be set up. However a fair value reserve will need to be set up where the charitable company holds investments which are measured at fair value, see paragraph 15.21 FRS102 SORP. You will need to refer to sections 36, 37, 51, 52 and 53 of the companies act regulations, Statutory Instrument No. 409, 2008, The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.</p> <p>Where a charity holds investment properties, note 17.3 must be completed.</p> <p>Note 17.4 must be completed when current asset investments are held by the charity.</p> <p>As per paragraph 21.41 FRS 102 SORP, please provide details of guarantees.</p> <p>Concessionary loans are made wholly or in part to advance charitable purposes for the benefit of a charity's beneficiaries, interest free or at below prevailing market rates. Please complete note 17.6 where your charity has made concessionary loans.</p> <p>Some additional information must be provided in note 17.7.</p>
Note 18	<p>This note must be completed where the charity holds stocks at the year end. Stocks are items that will be used by the charity in providing goods and services. Stocks may include goods held for distribution to beneficiaries, or educational literature or brochures for distribution. Please refer to paragraphs 10.59 to 10.63 FRS102 SORP for guidance.</p>
Note 19	<p>The debtors and prepayments note is used to provide further information about amounts owed to the charity. The total amount entered in this note needs to agree to the amount entered for debtors in the balance sheet.</p> <p>If material to the disclosure of debtors, the amount of debtors recoverable more than a year after the reporting date must be separately disclosed in the notes to the accounts.</p>

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Note 20	<p>The creditors and accruals note is used to provide further information about the amounts owed by the charity. The total amounts entered in note 20.1, Analysis of creditors, needs to agree with the amounts entered for 'Creditors: amounts falling due within one year' and 'Creditors: amounts falling due after one year' in the balance sheet.</p> <p>Please complete note 20.2 deferred income, where the charity has deferred income.</p>
Note 21	<p>Note 21, provisions for liabilities and charges must be completed where the charity has expenditure resulting from recognised funding commitments and it must recognise a liability for a legal or constructive obligation as a provision when either the timing or the amount of the future expenditure required to settle the obligation is uncertain. A provision is recognised when:</p> <ul style="list-style-type: none"> • a charity has a present obligation (a legal or constructive obligation that exists at the balance sheet date) as a result of a past event • it is probable that a transfer of economic benefits will be required to settle the obligation and • the amount can be reliably estimated <p>See module 7, FRS102 SORP for guidance.</p>
Note 22	<p>Where relevant, complete this note requiring other disclosures for debtors, creditors and other basic financial instruments. Paragraph 11.35 of the Charities SORP provides detail.</p>
Note 23	<p>Contingent assets and contingent liabilities are defined in appendix 1, FRS102 SORP. Please complete note 23, contingent liabilities and contingent assets, where applicable to your charity.</p>
Note 24	<p>Cash at bank and in hand is held to meet short term cash commitments as they fall due and includes all cash equivalents held in the form of short term highly liquid investments. A cash equivalent will normally have a short maturity date of, say, three months from the date of acquisition.</p>
Note 25	<p>Where assets and liabilities are measured at fair value through the profit and loss account, information must be given about the risks to which the charity is exposed at the end of the reporting period. This must be provided in note 25.</p> <p>Further detail must be given about the changes in fair value attributable to changes in credit risk in note 25.2.</p>
Note 26	<p>The events after the end of the reporting period note provides information about events that occur after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the year end. Examples of such events are provided in paragraph 13.7 FRS102 SORP.</p>

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Note 27	<p>The charity funds note is used to provide details of the movements of material individual funds in the reporting period. Fair value and revaluation reserves will need to be allocated to the relevant fund included in the list; the only exception to this is where fair value and revaluation reserves are wholly unrestricted. A balancing figure, 'other funds', is needed to provide a reconciliation to total funds in the balance sheet. Note 27.1 relates to current year information; note 27.2 relates to previous year information.</p> <p>Guidance on fund accounting is in module 2 FRS102 SORP.</p> <p>Where there are any transfers between funds details must be provided in note 27.3.</p> <p>Further information on designated funds must be provided in note 27.4.</p>
Note 28	<p>The transactions with trustees and related party note provides information about any transaction entered into by the charity with its trustees or others connected with the charity. Related parties are defined in the glossary of terms, appendix 1, FRS 102 SORP.</p> <p>Transactions with related parties that do not require disclosure are listed in paragraph 9.18 FRS102 SORP.</p> <p>Note 28.1 provides an analysis of trustee remuneration and benefits. The amount of any ex gratia payments made must be disclosed here. See note 11 for explanation of ex gratia payment.</p> <p>Where a trustee/director has received a payment for 'loss of office', the amount must be disclosed in 28.1. This is to satisfy section 2 of Part 1, Schedule 3, Statutory Instrument 409 2008.</p> <p>Note 28.2 provides an analysis of trustee expenses which are expenses incurred by trustees in fulfilling their duties, for example travelling to meeting or visiting charity facilities or activities to understand or monitor what is taking place.</p> <p>Note 28.3 provides information of transactions with related parties.</p>
Note 29	<p>This note may be used to disclose any important matters that are not included in the pro forma accounts.</p>