

A Certain Appeal

by Chantrey Vellacott DFK



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A C E R T A I N A P P E A L

'I say, this is awfully good.' His tone, a mixture of surprise and enthusiasm, took Alice back nearly forty years to the time when she first embarked on her 'directors' lunches'. She and her husband were now retired and the children were grown up. But with spare time and energy on her hands, Alice found that she was often asked to help out with a community project or two. She liked the charity and the thought that she was giving something back.



Perhaps the first thing to say is that we cater for charities of all sizes. This, we know, immediately sets us apart from many other firms of auditors and business advisers. To us, your size is not important; more important is why you exist, what you do, and how you want us to help you.

At present we work with over 200 charities. The smallest has an income of just a few thousand pounds a year and the largest received many millions last year. Many small charities require little more than some form of annual external scrutiny and the comfort that everything's above board. We are happy to help and act as a useful sounding board: you can call us for advice and a quick chat without having to worry that the meter is running.

OTHER PEOPLE'S MONEY

‘The performance will begin in one minute.’ Tony looked around him and hoped that everyone was here. They had spent months organising this evening and had attracted some great names; he hoped that everyone would enjoy themselves and that his seating plan would work. There would be other events but this was going to be the start of the campaign towards raising the £50 million that the new wing would cost to build.



For the larger charities, life is more complicated. There are matters such as VAT, tax, risk management, due diligence, grants, gift aid, financial reporting, corporate governance, fundraising, joint ventures, properties, trustee responsibilities and internal controls. This is where we thrive. We can help sort out all these issues.

Many of the charities we advise receive significant grant and legacy income. We frequently advise them on tax-effective giving, lottery applications and effective use of trading subsidiaries. We can even run their payroll through our payroll bureau service. And we'll also advise them how best to communicate the financial ins and outs to stakeholders – which figures matter and the best way to display them.

J O I N I N G F O R C E S

Robert had spent the greater part of his working life in the Forces. He had made many lifelong friends with whom he had shared tough times, laughter and fun. So it seemed natural that he should take up responsibility for the charity when Gordon retired. Much of the job consisted of making sure that everyone was kept informed of what was going on, who was alive and who wasn't, but there were also some regulatory matters where he could do with a bit of straightforward assistance. With member numbers dwindling, he also wondered whether it would make sense to join up with another veterans' association.



In addition to working with several armed forces' veterans associations we also specialise in many other charity sectors including education, care, the disabled, animal welfare, medical research, NHS Charitable Trusts, and membership organisations. They feel at home with us, and we with them. We speak the same language and our advice is clear.

Z E R O - R A T I N G

‘So can we claim back the VAT or not?’ Gita had always had a short fuse, right back to the days when she ran a busy investment banking department. Now she was having a little difficulty keeping her cool. The twenty-something opposite must have spent a good hour regaling her with the complexities of value-added tax and generally airing his knowledge, but Gita was no wiser. She decided to move into her ‘Jeremy Paxman’ mode and keep repeating the question until she got a straight answer.



Every year since VAT was first introduced the rules have grown in complexity year on year. And it is even more complex if you run an organisation which is deemed to be on the fringe of the charity sector: schools, trade unions, research funds and other membership and not-for-profit organisations. We have several senior practitioners, some of whom used to work with Customs and Excise, who specialise in VAT. They know the rules, the exemptions and the partial exemptions, and they won’t make a meal of it. We have assisted many organisations to improve their VAT position and even obtain some substantial refunds.



THE TWENTY-SOMETHING COULDN'T SEE
THAT GITA'S FUSE WAS ABOUT TO BLOW

C A U S E A N D E F F E C T

Linda thought that the journalist was being unnecessarily aggressive. As a trustee she had been caught completely off her guard by what he'd said and had taken a moment or two to recover her wits. She explained that she'd been happy to lend her name and contacts to the charity, but the fact that someone had been systematically ciphering off the funds was hardly her fault.



It might not be Linda's fault but it is her responsibility. Part of what we do is to help charity trustees to understand their roles, responsibilities and liabilities. To be appointed a charity trustee can be an honour, but the role brings with it some onerous responsibilities, burdens and even risks.

We keep in close touch with the Charity Commission. For years we have worked closely alongside our colleagues and other advisers on many committees and supported the main sector groups.

C A R E A N D C O N C E R N

Jim never looked forward to this time of the year. The next month would consist of early starts, late nights and interminable questions. Maybe they had to ask the questions they did, but their lack of knowledge about his organisation never failed to surprise him.



There are certain people who like working for charities and this is as true for your organisation as it is for ours. So the people who carry out your audit year after year will be familiar faces. The junior auditors on your team may change but the senior staff and your partners rarely do, unless required by government legislation.

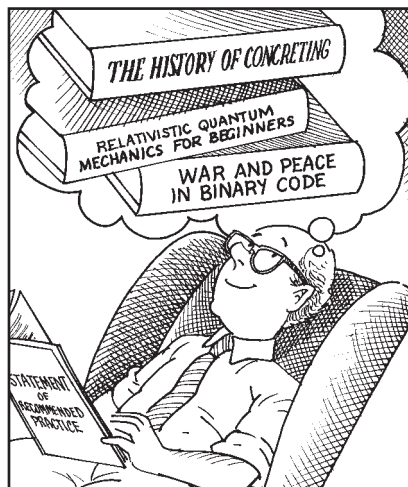
The importance of good corporate governance and internal controls for charities cannot be over-estimated. As part of our audit process we advise our clients on risk management issues and alert them to where the risks lie. We have also advised some clients during high profile investigations and on sensitive issues as well as the more ‘cut and dried’ areas where they need advice such as incorporation, restructuring, tax issues and fundraising arrangements.

CHAPTER AND VERSE

Max flicked through the hefty tome. It called itself the '*Statement of Recommended Practice*' and a more impenetrable read he could not imagine. What he wanted to know was what was relevant to his organisation, what he should worry about, and what the practices were that he should change as a result. If he phoned up his accountant no doubt he would get a large bill, and if he waited 'til he next saw him it might be too late.



Every two months our specialist charity team meets up and we discuss what's new and what is relevant to our clients. Then three times a year we produce our '*Charity Briefing*', a newsletter which we believe contains all the important things you need to know. Each edition contains information about changes to working practices, accounting standards, trading pitfalls, and recommendations as to what you should do. We also hold regular seminars and workshops where we discuss matters such as trustee responsibilities in more detail. We never leave you in the dark.



MAX'S NOTION OF IMPENETRABLE READS
DIDN'T MATCH THE ONE HE HELD NOW

C H A R I T A B L Y - M I N D E D

Charities need specialist auditors – of that there is no doubt. There are regulations that affect just you and the way you are structured, raise funds and trade. You have certain duties and responsibilities and special accounting provisions; your advisers have to understand what these are and how they impact your administration, your staff and your contracts.

Beyond having a detailed understanding of what it means to be an organisation that has charitable status, your advisers have got to be people you can work with. Normal people.

Everyone in the team has chosen to specialise in the charity and not-for-profit sectors. We're genuinely interested in what you do. And the possibility of adding value to a charity's efforts is what we like best. If you would like to meet us, we would certainly like to meet you. Phone us for a first, no obligation meeting.

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