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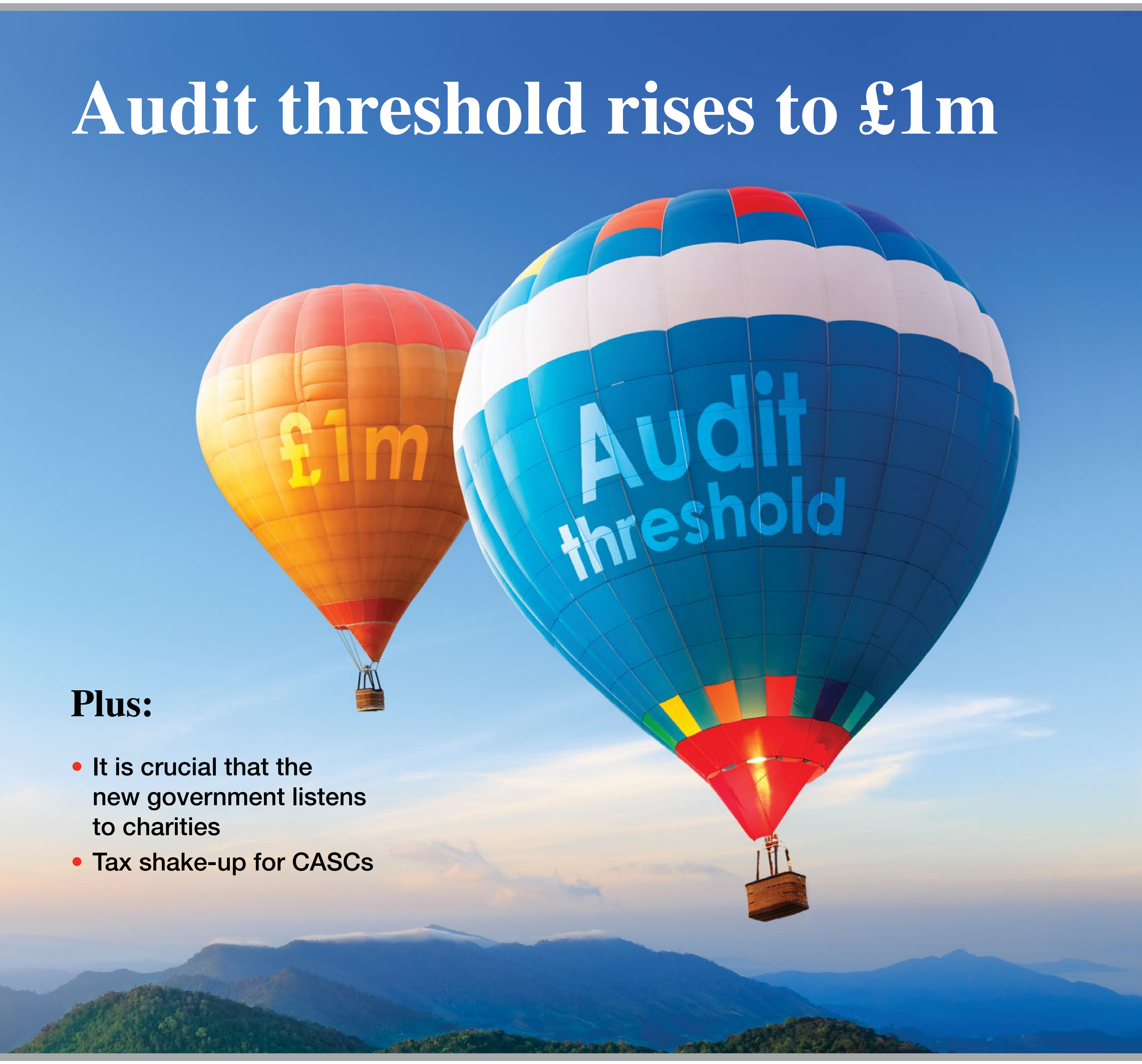
Focus On Charities Bulletin

June 2015 Edition

Audit threshold rises to £1m



Plus:

- It is crucial that the new government listens to charities
- Tax shake-up for CASCs

Welcome

Welcome to our Focus On Charities Bulletin, looking at news and information relevant to specific business and industry sectors and the services that Murphy Salisbury can offer.

This Focus On Charities Bulletin looks at the changes made to the charity audit threshold and what the new rules are. We then delve into what the sector wants the new Conservative-majority government to look at – tax reliefs on gift aid being just one. To conclude we look at a new tax regime for Community Amateur Sports Clubs (CASCs). If you have any feedback about this Focus On Charities Bulletin or would like to contribute towards the next edition, please contact us on **01789 299076** or email **jackie.rawlings@murphysalisbury.com**

Audit threshold rises to £1m

A new charity audit threshold, doubling the previous limit to £1 million, has now come into effect.

The change took effect on 31 March 2015, following publication in February of a Cabinet Office response to a consultation on charity audits that took place last year. The response document confirmed that the audit threshold would rise from £500,000 to £1 million.

Other changes that have come into force as a result of the consultation include:

- increasing the preparation threshold for group accounts from £500,000 to £1 million
- increasing the aggregate group income threshold at which parent charities should have group accounts prepared from £500,000 to £1 million.

Charities that fall below the new threshold for a formal audit can choose to have their accounts reviewed by independent examiners, to provide ongoing financial assurance.

Murphy Salisbury's charities and not-for-profit specialists are experienced in statutory and voluntary charity audits and independent examinations.

For more information on the new audit thresholds, or any other aspect of charity audits and independent examinations, please contact us.

It is crucial that the new government listens to charities

After the Conservative election victory, the charity sector has called on the party to do more to help its causes.

The chief executive of the training and support charity, the Directory of Social Change (DSC), says the perception of many in the voluntary sector is that a Conservative government will not be pro-charity.

Debra Allcock Tyler said: “Whether it is true or not, the perception of many in our sector is that a Tory government is not pro-charity.

“People are concerned about charities’ right to campaign and speak out, public spending cuts that affect our beneficiaries and whether we have genuine access to policymakers.”

Asheem Singh, director of public policy at the charity chief executives body Acevo, said that now the Conservative Party had a positive mandate from the electorate his organisation wanted to see the government take charities under its wing.

He picked up on comments made by David Cameron, the Prime Minister, at the announcement of his re-election as MP for Witney about the government he hoped to lead reclaiming the mantle of one nation, one United Kingdom.

“I would like to see this mandate being used to unmuzzle the third sector,” he said.

Sir Stuart Etherington, chief executive of the National Council for Voluntary Organisations, said his organisation looked forward to working with the new government on issues related to charities and volunteering, “including a sensible resolution to the problems brought about by the lobbying act, a shift of gear on our involvement in public services, taking forward the draft protection of charities bill and implementing manifesto proposals for increasing employee volunteering”.

Peter Lewis, chief executive of the Institute of Fundraising, said he wanted the new government to help charities to fundraise better.

“If the size of the state is going to continue to shrink and the government wants the charity sector to do more, then it really should help charities – especially small charities – to fundraise better,” he said.

“We think the small charities programme announced in George Osborne’s Budget was a really good idea. We’d like to work with them on that and help to make sure it has the right scale to help charities.”

Caron Bradshaw, chief executive, of the Charity Finance Group said: “Greater devolution in both Scotland and England now seems inevitable, and we will be looking closely at the possible impact of policy changes in these areas that could impact on charities, particularly on tax reliefs such as gift aid.”

We believe that the way we do business at Murphy Salisbury sets us apart as chartered accountants in Stratford, Warwickshire and further afield. We continue to move forward by seeking to continuously develop the practice, which includes an emphasis on recruiting high quality staff with diverse skills and experience.

Contact us for more information.

Tax shake-up for CASCs

A new tax regime for Community Amateur Sports Clubs (CASCs) took effect from 1 April 2015.

The changes mean that CASCs will not pay tax on:

- trading profits if turnover is below £50,000 a year (£30,000 before 1 April 2015)
- income of up to £30,000 a year from renting out property (£20,000 before 1 April 2015).

A limit on the amount of trading income CASCs can earn from members has been removed but they cannot earn more than £100,000 a year from trading with non-members or property income.

New limits have been introduced on fees and costs associated with membership. Fees cannot exceed £31 a week (£1,612 a year) and if the club's membership fees and sporting activity costs are more than £10 a week, it must offer help, e.g. provide a discount to reduce those costs to £10 a week for people who cannot pay more.

Clubs can pay players as long as total payments are not more than £10,000 annually. They can also pay expenses for some matches and tours where players take part in and promote the club's sport.

HM Revenue & Customs (HMRC) has published detailed guidance on the new rules. Clubs that do not comply with the new rules have until 1 April 2016 to meet them and if they cannot do so by that date, they will be deregistered by HMRC.

CASCs that do not currently comply with the new rules may find it helpful to seek expert advice from specialists in the field, like Murphy Salisbury's not-for-profit specialists.

One option may be to reform as a charity, which involves winding up the club and transferring assets and activities to the new organisation, and we can provide assistance with this process. For more information, please contact us.

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