

## CHARITY BULLETIN



May 2018

Welcome to Watson Buckle's Charity Bulletin, bringing you the latest news on financial issues facing the not-for-profit sector.

In this edition: Charities urged to raise awareness of Gift Aid • Charities report 110 data incidents ahead of GDPR • Consultation on changes to charities' SORP

We hope you enjoy reading our Charity Bulletin and that you find it useful. We would welcome your feedback on the content, or ideas for topics that you'd like to see featured in future issues. Please get in touch with Susan on **01274 516700** or email [SusanS@watsonbuckle.co.uk](mailto:SusanS@watsonbuckle.co.uk).

## Charities urged to raise awareness of Gift Aid



**The Government has issued a new announcement encouraging all businesses to "tick the box" to declare Gift Aid on their donations.**

The call comes after research showing that charities are losing hundreds of millions of pounds a year by not making the Gift Aid scheme more readily available.

When taxpayers donate using the Gift Aid scheme, charities and community amateur sports clubs (CASCs) can claim an extra 25p

for every £1 they give – and it won't cost donators any extra.

Exchequer Secretary to the Treasury, Robert Jenrick MP, said: "The UK has thousands of brilliant charities, all working hard to make people's lives better. Through Gift Aid, we are already giving charities an extra £1.3 billion of funding so they can continue their important work.

"We know how crucial this funding is. This is why we've just written to 50,000 charities to tell them

about the Gift Aid Small Donations Scheme, which makes it even easier for charities to claim a 25 per cent top-up on their donations."

HM Revenue & Customs (HMRC) research shows that a third of eligible donations to the UK's 200,000 charities did not add Gift Aid when they could have done, meaning charities are losing out on a potential £600 million a year.

For help and advice on financial issues affecting your charity, please get in touch with the specialist charity team at Watson Buckle.

# Charities report 110 data incidents ahead of GDPR

**Charities were involved in 110 data security breaches last year, according to the data protection regulator.**

The Information Commissioner's Office said loss or theft of paperwork was the main reason for charity incidents.

Overall, the ICO data shows a 41 per cent increase in reported incidents across all industries compared with the same period last year. It is believed the increase was due to increased awareness of the GDPR and the launch of ICO's new Personal Data Breach helpline.

Loss and theft of paperwork was the most commonly reported breach, followed by information security issues.

Other reports included "sending data by email to incorrect recipients", failure to use BCC when sending email, and more general cyber incidents.

The figures come shortly before the General Data Protection Regulation (GDPR) is due to come into force on 25 May, introducing a raft of new data protection laws.

Under the new rules, companies or charities which misuse or fail to proactively protect consumer data will be heavily fined – up to €20 million (approximately £17.59 million) or four per cent of a worldwide annual turnover.



Keep up to date with charity news and developments by following Watson Buckle on Twitter and Facebook.

For more information on any of the issues discussed in this bulletin, contact one of our experts today.

## Consultation on changes to charities' SORP

**The Government has launched a consultation in regards to 21 changes to the Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP).**

The changes have been proposed following Financial Reporting Council (FRC) amendments to FRS 102 - which the SORP is based on.

Generally, any update to FRS 102 automatically triggers changes to the SORP.

The amendments will apply to all charities in the UK and Republic of Ireland that follow the Charities SORP for reporting periods beginning on or after 1 January 2019.

There are three clarifying amendments in the document. Module 3, which covers accounting standards, policies, concepts and principles, including the adjustment of estimates and errors, has been amended to clarify the requirement for comparative information to be provided for all amounts presented in the financial statements.

In Module 10, which is the balance sheet, a significant amendment is to permit charities that rent investment property to another group entity to measure the investment property at either cost or at fair value.

This module's amendment would also remove the undue cost or effort exemption for the investment property component of mixed-use property to require measurement at fair value and removes

the disclosure of stocks recognised as an expense.

Under Module 13, which covers events after the end of the reporting period, the SORP is amended to clarify when payments by subsidiaries to the charitable parents that qualify for gift aid are adjusting events that occur after the end of the reporting period.

The consultation, which closed on 4 April, was described as "an important opportunity to help ensure that the Charities SORP continue to provide helpful guidance on charity accounting and reporting".

Watson Buckle works with trustees across the country to support charities in a number of ways. For a free, no obligation chat about what we can do for your charity, contact us today.

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