



21 April 2009

Newsletter for organisations with charitable status

Surviving the downturn

ACEVO has published “Surviving the Economic Downturn – A Charity’s Guide” comprising advice from a number of sources on managing in the current economic climate, including personnel and staffing matters, fundraising strategies and focusing on your core objectives.

The supplement can be downloaded from the following URL:

[http://www.acevo.org.uk/capttest/download_file.cfm?filename=ACEVO -
_Surviving the Economic Downturn - A Charity s Guide.pdf](http://www.acevo.org.uk/capttest/download_file.cfm?filename=ACEVO_-_Surviving_the_Economic_Downturn_-_A_Charity_s_Guide.pdf)

The government has committed funds for direct support for the Third Sector through its “Real Help for Communities: Volunteers, Charities and Social Enterprises” action plan. The plan provides for £42.5million of funds, split between: a modernisation fund to assist viable organisations in restructuring; a ‘Community Resilience Fund’ to provide grant funding to small and medium sized service providers in the most deprived local areas; and investment in a brokerage scheme for unemployed people to assist them in volunteering.

The CFDG’s Recession Watch page includes details of the government’s plan, as well as the organisation’s own proposals and advice for the downturn:

http://www.cfdg.org.uk/cfdg/influencing_recession_watch.asp

“State of the Sector” in Northern Ireland

The Northern Ireland Council for Voluntary Action (NICVA) published its annual “State of the Sector” report in February 2009. The State of the Sector report provides a snapshot of the diverse and dynamic environment within which the voluntary and community sector operates in Northern Ireland. The report assessed the current sources of funding, employment and expenditure whilst considering the future prospects and confidence in the sector. The key highlights from the report suggest that while there are now 4,700 voluntary community sector organisations in Northern Ireland, an increase of 200 over three years, that the level of total income has fallen from £614.5m in 2003/04 to £570.1m in 2006/07. Most worryingly voluntary income has fallen by 33% from £392m to £263m over the same period. 20% of organisations that participated in the report believe that the general health of their organisation will worsen over the next year with respondents stating that mergers between voluntary and community organisations will become increasingly necessary over the next year.

The “State of the Sector” report is available from NICVA’s website:

<http://www.nicva.org/index.cfm/section/publications/key/StateoftheSectorV250209>

Meanwhile the entire sector is awaiting the announcement of the identities of the inaugural Charity Commissioners to the newly established Charity Commission for Northern Ireland. The announcement from the Department of Social Development is due within the next month.

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Consultation on future sector funding launched

The NCVO has launched a new Funding Commission, which will consult over the coming year on the future funding of the Voluntary and Community Sector. The Commission comprises a number of senior sector individuals and will be carrying out its consultation via specific events and also inviting written submissions. The Commission intends to report on its findings early in 2010.

For further information please see NCVO's website: www.ncvo-vol.org.uk

Commission for the Compact launches Commissioning Guidance

New guidance for commissioners of public services has been published by the Commission for the Compact. The guidance lays out the key stages of the commissioning process and is intended to assist public sector bodies in establishing good working relationships with third sector providers of services, in line with the general principles of the Compact. The guidance document is potentially of assistance to charities and other voluntary sector providers in understanding how public sector bodies will be expected to go about commissioning services.

The guidance is available as a pdf from:

<http://www.thecompact.org.uk/files/103954/FileName/CommissioningGuidance.pdf>

The Charity Commission's new regulatory thresholds

The Statutory Instrument (S.I.) needed to implement the threshold changes recommended to the Office of the Third Sector by the Commission last year after public consultation (the Charities Acts 1992 and 1993 (Substitution of Sums) Order 2009), was laid before Parliament on 11 March to take effect on 1 April - effectively for financial years starting from that date:

- the accruals accounting threshold for non-company charities goes up from £100,000 to £250,000 gross income
- the £100,000 gross income threshold goes up to £250,000 for an audit where any charity's gross assets exceed £3.26m (instead of £2.8m)
- the independent examination threshold goes up from £10,000 to £25,000 gross income
- the threshold for routine filing of annual reports and accounts with the Commission similarly goes up from £10,000 to £25,000 gross income.

The S.I. also raises certain minor thresholds to do with the release of rent charges under s.40 of the 1993 Act and with the 1992 Act's fundraising provisions.



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Further Companies Act changes

The remaining provisions of Companies Act 2006 will be brought into force through the Eighth Commencement Order later this year, which takes effect from 1 October 2009. Key changes to company law include provisions on: formation of companies; company constitutions; company names and business names; changes to the register and new requirements in respect of directors' addresses. Company directors and members will be required to provide an address for the public record.

Residential addresses will remain protected information but directors will be required to give a service address for the public record.

For more information on the Eighth Commencement Order, please go to the BERR website: <http://www.berr.gov.uk/whatwedo/businesslaw/co-act-2006/faq%20Act%202006/page41089.html#BM48796>

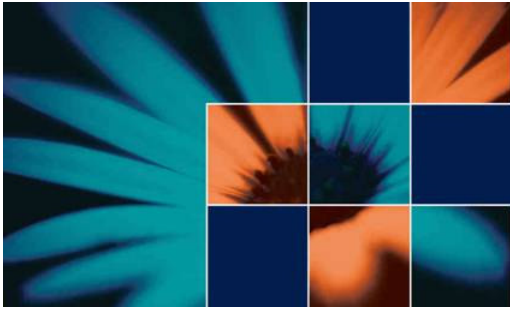
Refund of Netherlands (and other cross border) withholding taxes

The Dutch tax authorities have announced that they will start to make refunds of withholding tax to charities and pension funds resident in other EU countries. This is as a result of a European Court of Justice ruling in 2006 that said that the existing withholding tax system was contrary to the free movement of capital.

Before 1 January 2007, Dutch withholding tax applied to companies making payments to charities and pension funds based outside the Netherlands, but not to similar bodies resident in the Netherlands. With effect from 1 January 2007 the law changed so that the withholding tax no longer applies to payments to charities and pension funds, and refunds can be claimed of any tax withheld. The Dutch tax authorities are now also preparing to make refunds for the tax withheld in the earlier years 2003-2006. Years before 2003 are not currently being considered. These refunds will need to be claimed by the relevant charities and pension funds.

If you think that you have received dividends under withholding tax from a Dutch company, e.g. Royal Dutch Shell, and would like to reclaim these, please let us know. It is important to consider potential claims as early as possible, before the claims fall out of time.

The Netherlands were not the only country to apply unequal withholding taxes. Other countries such as Austria, Norway and Finland have also started to make refunds, while cases have also been brought in Italy, Portugal and Spain. Therefore it is worth reviewing the withholding tax position of any dividends received from countries in the EU, where a similar withholding tax would not have been applied to dividend payments.



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Forthcoming events

Date	Event
6 May 2009	<p>Trustee training - in association with Plaza Publishing Time: 9.30am – 4.30pm Cost: £195 + VAT (£170 + VAT for Governance magazine subscribers) Venue: Horwath Clark Whitehill LLP, St. Bride's House, 10 Salisbury Square, London EC4Y 8EH</p> <p>Make new trustees effective more quickly and refresh existing trustees' understanding of their role.</p> <p>Send your trustees on this course and be assured they will return with a clear understanding of their roles, duties and responsibilities needed to effectively govern a charity. Led by Governance editor Dorothy Dalton, the course will draw on Dorothy's experience and unrivalled knowledge of the sector to provide attendees with the best possible understanding of what it means to be a trustee.</p> <p>Speakers: Lindsay Driscoll and Mike Hicks.</p>
11 May 2009	<p>Charities Tax Update Time: 10am – 12:30pm Cost: Free of charge- refreshments and buffet lunch provided Venue: Horwath Clark Whitehill LLP, St. Bride's House, 10 Salisbury Square, London EC4Y 8EH</p> <p>This is a half-day free seminar providing an update on VAT, employment tax and general tax issues including matters arising from the Chancellor's 2009 Budget. The seminar will examine current 'hot topics' in each area. More details will be posted on our website nearer the time.</p> <p>Speakers: Alexander Shear, Rob Warne and Brian Robson</p>

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