

# Agenda

- Recap on the basics from webinar 1
- Who can prepare Receipts & Payments (R&P) accounts?
- Basic elements of R&P accounts
- What is the difference between R&P accounts and accrued accounts?
- What happens with external scrutiny of R&P accounts?
- How can OSCR help me?

# Recap on the basics

- All Scottish charities must prepare accounts
- Accounts are filed with OSCR within 9 months of the year end
- Filing accounts using OSCR Online
- Types of accounts:
  - Receipts and payments accounts
  - Accrued accounts

# Who can prepare R&P accounts?

- Charity must have **income of less than £250,000**
- Cannot be used by charitable companies
- Need to check the requirements of the charity's governing document
- Also may need to consider what funders want

# The receipts and payments account

- Cash-based accounting - what the charity has received and paid in the year
- Five elements:
  - Receipts and payment account
  - Statement of balances
  - Notes to the accounts
  - Trustees' annual report
  - External scrutiny report
- Different types of funds shown separately

# Receipts

Receipts and payments accounts							
For the period from	Period start date			to	Period end date		
	Day	Month	Year		Day	Month	Year

## Section A Statement of receipts and payments

	Unrestricted funds	Restricted funds	Expendable endowment funds	Permanent endowment funds	Total funds current period	Total funds last period
	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
<b>A1 Receipts</b>						
Donations					-	
Legacies					-	
Grants					-	
Receipts from fundraising activities					-	
Gross trading receipts					-	
Income from investments other than land and buildings					-	
Rents from land & buildings					-	
Gross receipts from other charitable activities					-	
					-	
<b>A1 Sub total</b>	-	-	-	-	-	-
<b>A2 Receipts from asset &amp; investment sales</b>						
Proceeds from sale of fixed assets					-	
Proceeds from sale of investments					-	
<b>A2 Sub total</b>	-	-	-	-	-	-
<b>Total receipts</b>	-	-	-	-	-	-

# Payments

## A3 Payments

Expenses for fundraising activities					-	
Gross trading payments					-	
Investment management costs					-	
Payments relating directly to charitable activities					-	
Grants and donations					-	
Governance costs:					-	
Audit / independent examination					-	
Preparation of annual accounts					-	
Legal costs					-	
Other					-	
					-	
<b>A3 Sub total</b>	-	-	-	-	-	-

## A4 Payments relating to asset and investment movements

Purchases of fixed assets					-	
Purchase of investments					-	
<b>A4 Sub total</b>	-	-	-	-	-	-

**Total payments** - - - - -

**Net receipts / (payments)** - - - - -

**A5 Transfers to / (from) funds** - - - - -

**Surplus / (deficit) for year** - - - - -

# Statement of Balances

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Expendable endowment funds to nearest £	Permanent endowment funds to nearest £	Total current period to nearest £	Total last period to nearest £
<b>1 Cash funds</b>	Cash and bank balances at start of year					-	
	Surplus / (deficit) shown on receipts and payments account					-	
						-	
						-	
	<b>Cash and bank balances at end of year</b>	-	-	-	-	-	-
	(Agree balances with receipts and payments account(s))						

- Explain how the cash/bank balance has changed from the start to the end of the financial year
- Detail other assets (things that the charity owns) and liabilities (items due to be paid by the charity) as well

# Notes to the accounts

- Nature and purpose of funds
- Grants – reason, who paid to, how many and how much
- Payments to charity trustees and people connected to charity trustees
- Help the reader to understand what is happening in the charity – add more information if you want to and think it will be useful



# Trustees' Annual Report

- The opportunity for the charity trustees to tell the story of the charity and help readers to understand what happens in the charity
- Keep it simple and use appropriate language for the charity
- Think about who the readers of the report are and speak to them

# Trustees' Annual Report

- Administrative details
- Names of charity trustees, dates they have acted and who appointed them
- Type of governing document
- Trustee appointment and recruitment
- Charitable purposes + activities + achievements
- Reserves policy
- Explain any deficit
- Donated services and facilities (if any)

# R&P vs. Accrued Accounts

- Two different types of accounts
- **R&P** = cash based accounts, no adjustments made for the timing of transactions
- **Accrued accounts** = following the SORP and presenting all transactions that relate to the financial year, not just where cash has changed hands

# External scrutiny of accounts

- Where R&P accounts are prepared, usually an independent examination takes place
- Independent examiner does not need to be a qualified accountant but needs to be independent of the charity and understand legal requirements, accounting records and charity accounts
- Audit sometimes required but opinion slightly different from normal

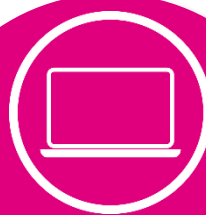
# Where can I find out more?

- A guide to charity accounts – overview
- Receipts and payments accounts workpack – templates available to help you prepare each of the five parts. Can complete these on your computer or by hand or use as a checklist
- Trustees Annual Reports: Good practice and guidance
- Reserves factsheet

# How can I keep up-to-date?



OSCR Reporter



[www.oscr.org.uk](http://www.oscr.org.uk)



Future webinars