

Central England Quakers

Trustees Finance Committee

Central England Area Quaker Meeting

Annual Financial Reporting & Consolidation

Summary Guidance Notes – 2024

*(Note: changes from previous guidance are identified in red)*

**Contents**

1. Introduction

2 Changes to Guidance for 2024

3 Completing the Data Sheet

4 Completing the SOFA & Balance Sheet “proforma”

5 Completing the Transfer Schedule

6 Completing the “Acting as Agent” Schedule

7 Completing the Investment Schedule

8 Completing the Information Disclosures Schedule

9 Examination checklist & declaration

10 Examples of the proforma and schedules

11 Appendix: Finance Library Index

**Central England Quakers:** Office, 40 Bull Street, Birmingham B4 6AF

Telephone 0121 236 2644 Email: [ceq@phonecoop.coop](mailto:ceq@phonecoop.coop) Internet: www.centralenglandquakers.org.uk

The Central England Area Quaker Meeting Charities, registered charity number 224571

Updated, November 2024

**1 Introduction**

The 2024 “proforma” pack consists of a single Excel file with nine “worksheets”:-

1. Data Sheet
2. Statement of Financial Activities (SOFA) & Balance Sheet
3. Register of bank accounts and signatories
4. Transfer Schedule
5. “Acting as Agent” Schedule
6. Investment Schedule
7. Year End Adjustments
8. Information Disclosures Schedule
9. Final SOFA and Balance Sheet for the previous year (as used for consolidation)
10. Examination checklist & declaration

Examples of worksheets 1 to 7 and 9 are attached to this guide for reference. The personalised pack for your Meeting or Branch will be (e)mailed to you separately, in time for the year-end.

The Guidance Notes below should help you to complete the worksheets relevant to your Meeting or Branch.

Included, as an appendix, is a current index for the “Finance Library” – a set of guidelines and briefings for CEQ Treasurers. One of the guidelines is a note on Financial Accounting Principles, which provides some basic guidance on Charity Accounting for Treasurers. Please refer to these principles when completing the pro-forma.

**All Local Meetings and Branches must submit fully- completed proformas (and schedules where applicable) - alternative formats cannot be consolidated and are not acceptable**

It is greatly preferred if you can complete the forms on a computer, in Excel format. The spreadsheets are linked, and many of the cells are “populated” automatically from other spreadsheets. If you are unable to complete the forms on a computer yourself, and no-one in your LM or Branch is able to assist, please ask for help from the Central Treasurer team, who will provide the necessary support directly.

The income and expenditure “categories” on the SOFA are determined by the current Charity Commission “Statement of Recommended Practice” (SORP). Allocating income and expenditure to these headings can be difficult (and in some cases rather arbitrary). It is not an exact science! If you are unsure about whether something you have done is correct or not, please provide a brief explanation in a covering note or email. This will be extremely helpful to the Finance Administrator. At the end of the day, the accuracy of your figures is more important than where you have put them.

A copy of your proforma for last year is included in the pack just in case the Finance Administrator made any changes to the version that you submitted (to correct an error). These changes should have been discussed with you at the time – so apologies if they were not. **The balances brought forward to your current year pro-forma must be the same as those carried forward from the previous year’s SOFA.**

***2* Changes to guidance from 2024**

* **Additional Tab – Year End Adjs. Further to advice from our Auditors regarding Year End Accruals and Prepayments, additional information will be required, that lists the detail of the Debtors and the Creditors included in the proforma. There is an option for 2024 to just provide the detail and the adjustment to the proforma will be carried out Centrally.**
* **Gift Aid – 2024 is the last year that LMBs will be able to use a separate Gift Aid registration. In line with this the Gift Aid claim is to cover the period ended 31st December 2024, and a copy is requested with the returned proforma. Examiners Are asked to ensure this has been done, and to state if the Gift Aid has been accrued .**

**3 Completing the Data Sheet**

When completing the proforma electronically, the data entered here will automatically be transferred to the appropriate worksheets. ***Please complete this sheet first.***

Please insert the name of your Meeting or Branch.

**Fund Name**: If you have more than one Fund please name the funds using the separate lines. *Note that you must be able to complete the SOFA and Balance Sheet for each Fund - if you cannot do this it will be necessary to combine Funds*.

**Fund type**: please classify each of your funds as unrestricted, designated or restricted, selecting from the dropdown box.

A simple definition of the three main categories is:-

**Unrestricted** - funds which can be used for any purpose agreed by the Meeting/Branch

**Designated** - a fund arbitrarily established for a specific purpose (e.g. a Building or Bursary Fund) but where the funds could be used for other purposes with the agreement of the donors.

**Restricted** - a fund where the donor(s) or testator(s) have unequivocally defined the purpose for which the assets may be used

**Final section**: Please complete this so that we know who to contact in the event of a query. From 2020 we have added an extra section to allow for the completion of the proforma by someone other than the Treasurer.

**4 Completing the SOFA and Balance Sheet “proforma”**

***When completing the SOFA and Balance Sheet***

* ***Your fund names will be transferred automatically from the data sheet, in the sequence in which they were listed.***
* ***Do not try to insert figures in any cells that are shaded, and do not try to add or delete rows – the cells are locked to prevent you doing this!***

***The “Total Last Year” figures will be pre-inserted for you***

|  |  |  |
| --- | --- | --- |
| **Line** | **Title** | **Guidance** |
| 2 | Name of Meeting/Branch | Inserted automatically from data sheet |
| 4 | Fund name | Inserted automatically from data sheet |
| 5 | Type of fund | Inserted automatically from data sheet |
| 7 | Incoming resources | Please complete lines 8 to 15, as advised below. **NB: Intra-CEQ income (that is money received from another LM or Branch, or from central AM Funds) must not be included in this section – see guidance notes on Transfers.** |
| 8 | Voluntary income – Contributions and Collections | Contributions from individuals  Collections for your Local Meeting  Gift Aid tax refunds (see guidelines for further advice)  Contributions via the AM Contributions Schedule  Contributions from another LM’s “special collection” |
| 9 | Voluntary income - Donations | Grants and donations from external bodies |
| 10 | Voluntary Income - Legacy | Money received from a bequest |
| 11 | Activities for generating funds | Room Hire (but excluding rents from investment properties)  Income from fundraising *(eg for an appeal or from a fundraising event)*  Sale of books or goods |
| 12 | Rent from investment properties | Please enter separately any rent received from an investment property – this will only apply to two or three LMs, and will be zero for all other LM/Bs. |
| 13 | Investment income | Bank interest  Interest paid by HMRC on Gift aid rebates  Dividends/interest from investments **(The figure for dividends/interest from investments included in this line should agree with the total shown in the investment schedule – Column N.)** For those LMs and Branches with accumulating shares (ie shares which do not distribute dividends but retain them within the holding), the retained dividend must be shown as income in Line 13, and not as capital growth. In the Investment Schedule the retained income should be shown in column N, and the reinvestment of the retained income should be shown in column J. The Investment Schedule will automatically calculate the correct unrealised gain, and the increase in share value. |
| 14 | Income from Quaker activities | Grants or donations for specific project work  Contributions to an LM event |
| 15 | Other incoming resources | Anything that doesn’t seem to fit somewhere else! *If you enter a large figure here, please explain it in a covering note/email.*  NB If you receive a refund relating to an expense, eg from an insurance claim, this should be deducted from the relevant expenditure item, and not declared as income. |
| 17 | Resources expended | Please complete lines 18 to 23 and 25 to 28 as below. **NB:** **intra-CEQ expenditure (that is money paid to another LM or Branch, or to central AM Funds) must not be included in this section – see guidance notes on Transfers. See also guidance notes on “Acting as Agent” transactions.** |
| 18 | Costs of generating funds | Costs of fundraising events  Costs of sale goods  Appeal leaflets  Cost of Gift Aid envelopes |
| 19 | Costs of Quaker activities | Grants or bursaries to individuals  Grants to charities, subscriptions to ecumenical bodies  Costs of LM/B events  Costs of courses or conferences  Literature and books, leaflets, printing, stationery  Committee expenses  Purchases of equipment for the Meeting House *(these are items used for Quaker activities, such as a DVD player, data projector or display boards - exclude items which are for the “fabric” of the Meeting House, such as furniture, which should be treated as maintenance and repairs)* |
| 21 | Payroll costs | Staff salaries (NB payments to CEQ for staff on central payroll are NOT transfers and should be included here). The figure inserted in Line 21 should be restricted to payroll costs and must agree with the central payroll records for the LM/Branch employee(s). All other costs relating to employees, such as the payment of Council Tax, should be inserted in line 22 (contracted services). |
| 22 | Contracted services, including self-employed workers | Gardening and cleaning services, other contracted-out labour, and any other workers not on central payroll. Please refer to *“guidance to LMs re payments for services”* (Finance Library) |
| 23 | Insurance | Building and contents insurance premiums |
| 25 | Utilities | Gas, electricity, water charges, telephone |
| 26 | Repairs and maintenance | Costs of maintaining, improving or repairing your property, including the purchase of furniture *(NB see comment in line 15 re refunds)* |
| 27 | Costs of Governance | Audit or legal fees  *(NB fees for architects, surveyors etc should be classified as repairs and maintenance, and* *meeting expenses - eg postage - should be classified as Costs of Quaker Activities. In practice, for most Meetings, this line will be zero).* |
| 28 | Other resources expended | Anything that doesn’t seem to fit elsewhere! *If you enter a large figure here, please explain it.* |
| 30 | Realised investment gains | For any investments **sold** during the year, the proceeds of sale less the value on 1 January (or less the purchase price, for any investments purchased and sold during the year). **Note that if you complete the investment schedule first these values will be generated automatically and the totals can be transferred to the proforma.** |
| 31 | Unrealised investment gains | For all investments held at the end of the year, the value on 31 December less the value on 1 January (or less the purchase price, for any investments purchased during the year). **Note that if you complete the investment schedule first these values will be generated automatically and the totals can be transferred to the proforma.** |
| 34 | Transfers between internal funds | Enter here any transfers which you have made **between your own funds**, “out” being minus and “in” being plus. These should sum to zero. |
| 39 | Intra-CEQ transfers | Enter here the net transfers (to each of your funds) from or to other LMs, Branches or Central Funds. The total net transfers should agree with the bottom line of your Transfer Schedule. |
| 45 | Balances brought fwd | **The total for this line must be the same as the balance carried forward from the previous year.** |
| 46 | Balances carried fwd | These will be the sum of lines 44 and 45, **and must agree with the bottom line of the balance sheet (line 66).** |
| 50 | Land & Buildings | *For LMs and Branches this line should be zero. Any qualifying capital expenditure detailed on the disclosures schedule will be capitalised and depreciated centrally – see guidance on “completing the Information Disclosures schedule”* |
| 51 | Fixtures and fittings | *Same principle as Line 50 – see above* |
| 52 | Investments | The figure inserted here should agree with the total year-end value of your investments, as recorded on the investment schedule (UK + Overseas based) |
| 55 | Debtors | Any accruals for **income** included in the SOFA which has not been paid to you, as at 31 December, including Gift Aid due*.* Include the closing balance of any loans made by you to third parties (hopefully none!) |
| 56 | Short term deposits | Sums held in deposit or savings accounts as at 31 December |
| 57 | Cash at Bank | Sums held in current accounts, plus any cash held, as at 31 December. |
| 60 | Creditors due within 1 year | Any accruals for **expenditure** included in the SOFA which has not been paid by you as at 31 December*,* but which you expect to pay before the end of the coming year Include the closing balance of anyloans (other than from the CEQ Building Fund) taken out by you which are repayable within 1 year (hopefully none!) |
| 61 | AM loans due within 1 year | If you have a CEQ Building Fund loan, enter the amount you are due to repay next year. |
| 64 | Creditors due after 1 year | As line 60, but for amounts due to be repaid beyond 1 year |
| 65 | AM loans due after 1 year | As line 61, but for amounts due to be repaid beyond 1 year |

**Notes regarding the Transfer and “Acting as Agent” Schedules**

|  |
| --- |
| *Terminology*: we use the word “internal” to mean transactions within your own Meeting or Branch Funds, and “intra” to mean transactions between Meetings, Branches and Central Funds.  An **intra-CEQ Transfer** occurs when money passes between Local Meetings, Branches or Central Funds. The money has moved within the charity, but has not entered or left the charity. When we consolidate the CEQ accounts we have to remove all such Transfers to avoid double-counting income and expenditure. This is why we ask you to account for transfers separately on the main pro-forma and to not include them as income or expenditure. Completing this Transfer schedule helps us to identify these “intra” movements, and account for them correctly.  If everyone completes the forms accurately the “ins and outs” across the charity should sum to zero! Examples of Transfers are:-   * Donations from an LM to a Branch, other LM or Area Meeting * Grants from Area Meeting to an LM or Branch * Reimbursement to an LM by Area Meeting for an expense incurred by the LM (eg bursary)   Note that donations to Quaker bodies which are not part of CEQ (eg BYM, Woodbrooke, The Woodlands, ecobirmingham) are not Transfers.  *Please try to avoid making transfers very close to the end of the year, as there is a risk that the receiving LM or Branch will not receive it until after 31 December, and may allocate it to the following year.*  **“Acting as Agent”** is a term we use for money that has been collected for a particular purpose by an LM and passed directly to the beneficiary. The LM is simply “Acting as an Agent”, and such collections must be excluded from the LM’s income/expenditure figures, and (if passed to a CEQ LM or Branch) treated by the beneficiary as “external income”. The Area Meeting Contribution Schedule (which collects donations from individual donors and passes the money on to named beneficiaries) is Acting as Agent, and LMs should record such donations as external income (ie as if the donation had come directly from the donor).  If you arrange a special collection but “top it up” from your own funds you must account for the two elements differently. The money collected is “Acting as Agent” (excluded from your accounts) but the “top up” is expenditure (include in your accounts). If the donation goes to another LM or Branch both you and the receiving LM/Branch must treat the “top up” as a transfer.  When sending a gift to another LM or Branch you must let them know if the gift is from your funds or from a special collection, or a combination of the two.  **5 Completing the Transfer Schedule:-**  To complete the Transfer schedule, insert in the first (IN) column any gifts, grants or payments **received** **from** the listed LMs/Bs/AM funds, with a brief explanation of the reason (ie donation, bursary, reimbursement) |
| Insert in the second (OUT) column any payments **made to** the listed LMs/Bs/AM **from your LM/B funds,** again with a brief explanation of the reason.  (If you have figures in both columns for a given row, please describe both transactions).  **Please note**: loans from the CEQ Building Fund (or repayments to it) should **not** be recorded as Transfers. *They are not part of income and expenditure and will appear in the creditor section of the balance sheet.* |

**6 Completing the “Acting as Agent” Schedule:-**

Insert in the first (IN) column any money received from someone else’s special collection. Hopefully they will have excluded the collection from their accounts, and you will have treated it as external income.

Insert in the second (OUT) column any special collections passing through your Meeting to other LMs or Branches. Hopefully you will have excluded the collection from your accounts, and the beneficiary will have treated it as external income.

Do not include on the schedule any special collections for beneficiaries outside CEQ

**7****Completing the Investment Schedule**

As in previous years we are obliged to clarify our investments in detail. Not every LM or Branch has investments, so this schedule may not apply in your case. Some investments are held centrally and will be accounted for centrally. If you are not sure whether your investment should be included on your pro-forma (and investment schedule) please ask.

If you need to complete this schedule, please ensure that the figures for realised/unrealised investment gains and investment income match those shown in your pro-forma.

Complete the top section for UK based holdings, and the lower section for Overseas based holdings. Use the totals to Transfer to Pro-Forma figure on the pro-forma. The headings on each column specify the information required by our auditor.

B SECTOR: please list briefly the area of activity of each investment, such as Construction & Materials, Food and Drug, Telecommunications, Gas, Water and other Utilities.

C NAME: please give the name of the holding, with any relevant supplementary information contained in the name.

D QUANTITY: please identify the number of share or units held.

E CATEGORY: the categories specified by our auditor are shown in the green box at the foot of the schedule – please select as applicable, quoting the reference number (1 to 7). From 2015 we have been required to identify separately any “social investments”. These are investments made primarily for charitable purposes rather than financial gain, where the LM or Branch has made a conscious decision to accept a higher level of risk or lower return on investment in order to fulfill a charitable objective. If you are not sure if an investment falls into this category, please ask.

F/G PURCHASE DATE & VALUE: For “existing” holdings (purchased **before** the start of the year), enter the original date and value, if known. For new holdings purchased during the year, enter the actual date and purchase value.

H VALUE AT START OF YEAR: For “existing” holdings (purchased **before** the start of the year) enter the opening value, as at 1 January. For new holdings purchased during the year **leave this cell blank**.

I/J FURTHER INVESTMENT QUANTITY AND VALUE: If you have purchased additional units of this holding during the year, enter the additional quantity and purchase value.

K/L QUANTITY SOLD AND SALES VALUE: If you have sold part or all of this holding during the year, enter the quantity sold and the sales value.

M VALUE AT END OF YEAR: enter the value of the holding as at 31 December. If nil (ie all of the holding sold) **leave this cell blank**.

N INCOME: Enter here the total value of dividends and interest received during the year.

O/P REALISED AND UNREALISED GAINS: if completing the form on a computer (as an Excel worksheet) these values will be generated automatically, **so please do not try to insert your own figures**. If completing the form manually, you will need to calculate the values yourself by reference to section 3 above – see guidance for lines 30 and 31 on the proforma.

**8****Completing the Information Disclosures schedule**

*Capital expenditure*: from 2017 we have been required to capitalise (and depreciate) major expenditure on building projects or equipment. We require Local Meetings and Branches to declare such expenditure in this schedule. For a project or purchase to qualify it must:-

1. Exceed £10,000 (including VAT if applicable)
2. Relate to the major refurbishment of a building, part of a building or building extension (not just decoration or repairs), or a single high value item of equipment (such as solar panels, boiler, grand piano etc).

Please provide a breakdown of major items of expenditure within the overall project, and provide copy invoices (these can be scanned and attached, or sent by post to Wendy Wolfendale). We also need to know where you have recorded the expenditure on your proforma.

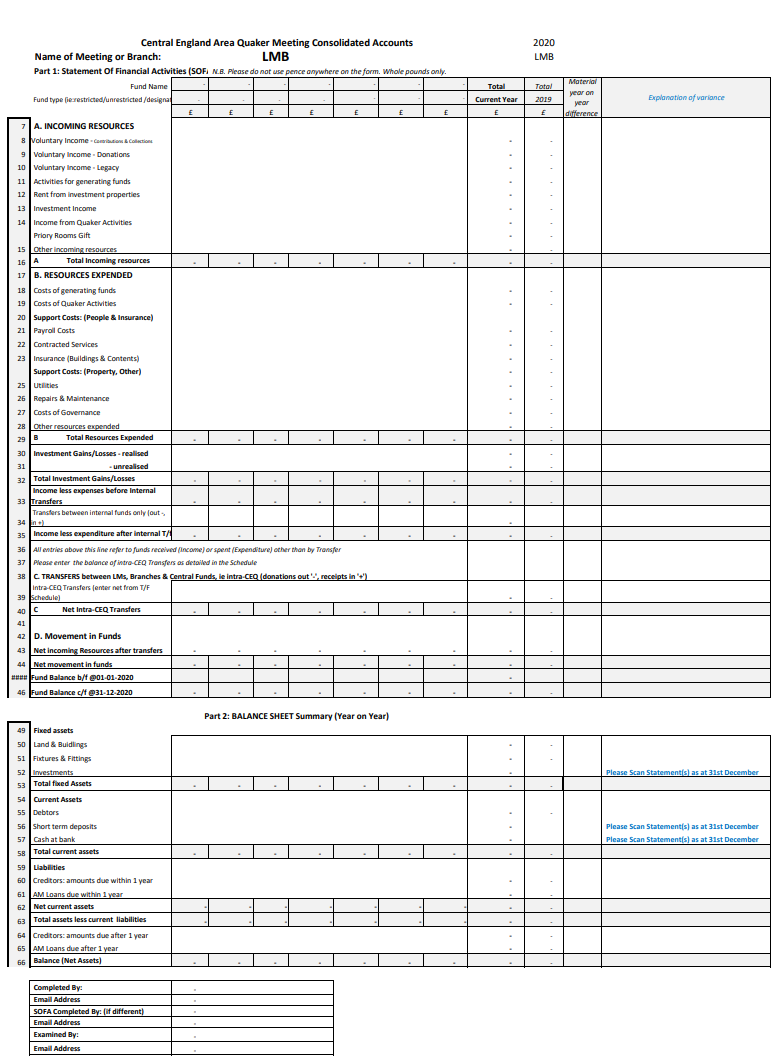
To avoid local Treasurers having to deal with fixed assets and depreciation we will make the necessary adjustments centrally. If in doubt about whether to declare a project, please include it, with appropriate details, and we will take a view - if necessary consulting our auditor.

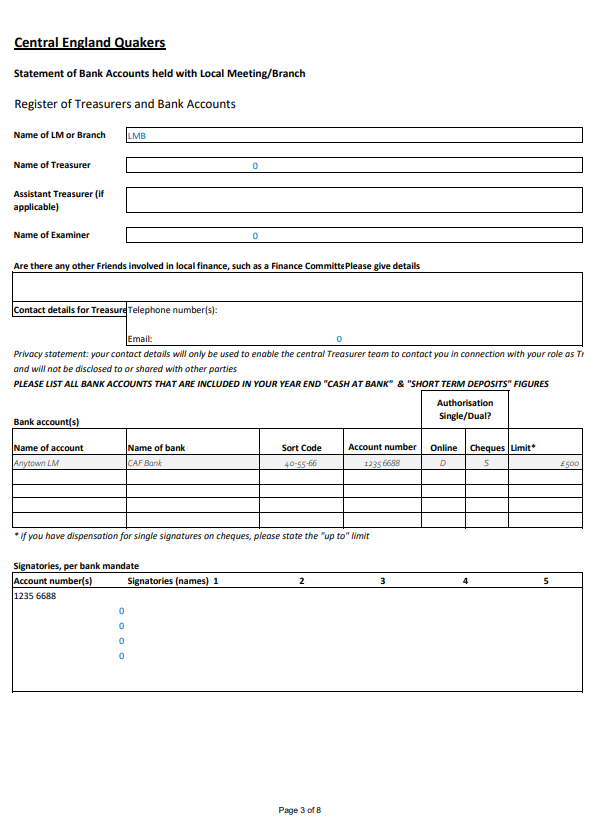
*Grants/donations to certain beneficiaries*: changes in regulations (especially those relating to banks) make it necessary for us (and therefore you!) to record grants and donations made to non-Quaker charities or non-charitable beneficiaries, and any payments made to beneficiaries outside the UK. Quaker Stewardship Committee also requires us to declare donations to Quaker bodies and Britain Yearly Meeting (BYM). Please enter the details of any such transactions on the “information disclosures” schedule. Note that we only require details of payments made from your funds – payments made exclusively from special collections should not be declared. However, if you add money from your funds to “top up” a special collection (to one of the above categories of beneficiary), then the amount drawn from funds should be declared. As a general rule, subscriptions to relevant bodies which are consistent with our charitable objects (eg Churches Together, Interfaith Network) need not be declared if it is clear that the payment is a subscription rather than a gift.

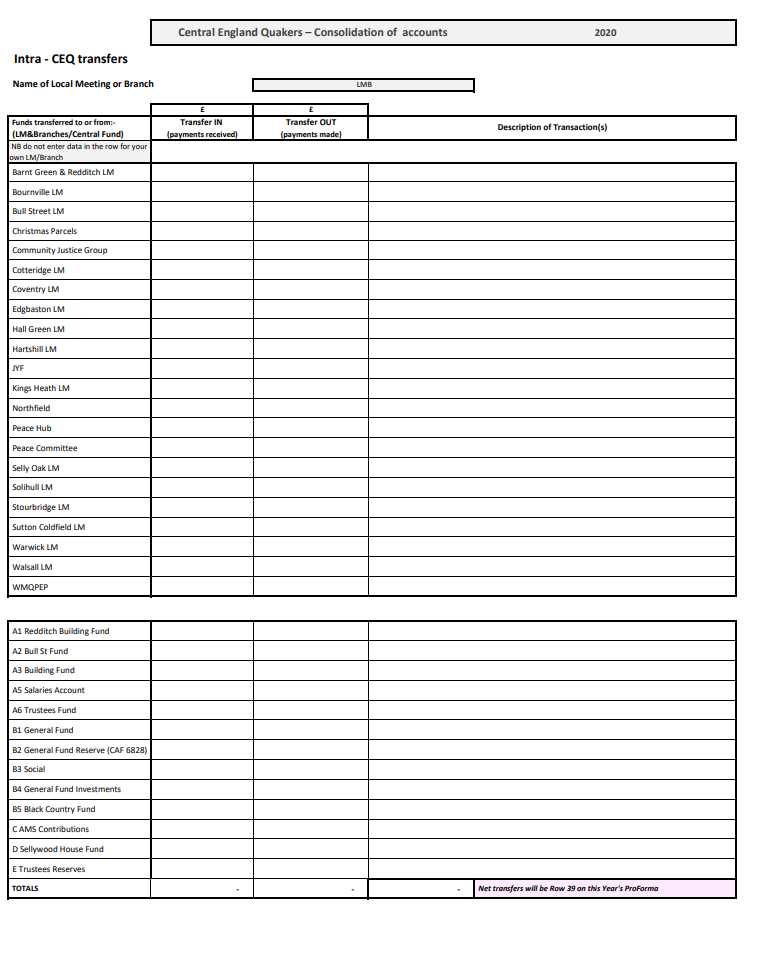
Please be aware of the guidelines on the “correct application of charitable funds” as held in the Finance Library. As a general rule, any donations which you are now required to declare via the new schedule should have been approved by your Local Meeting, with a supporting Minute, and we ask you to provide the Minute number.

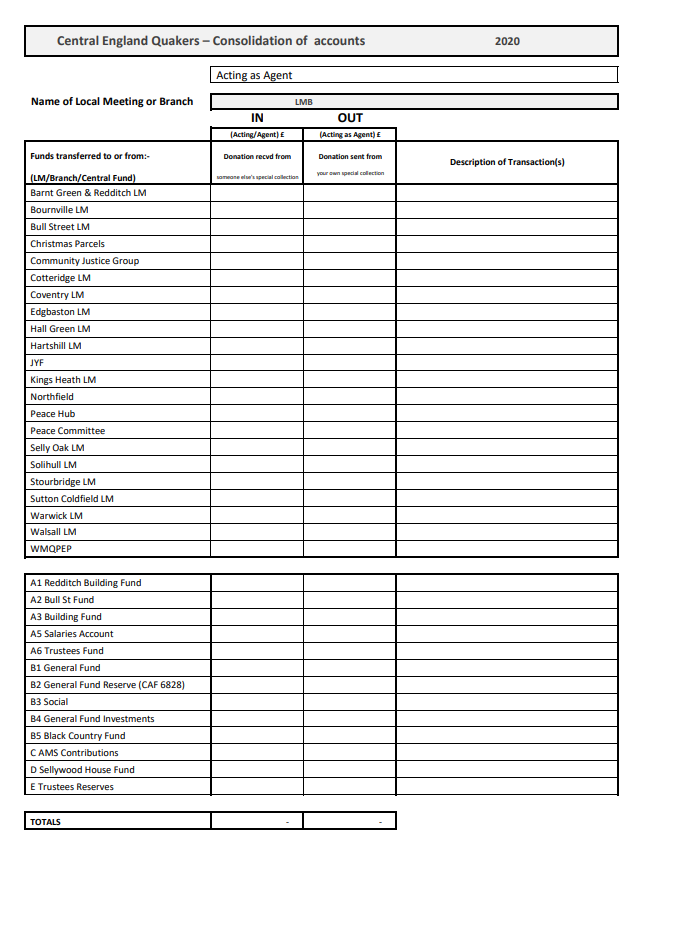
**9Examination Checklist**

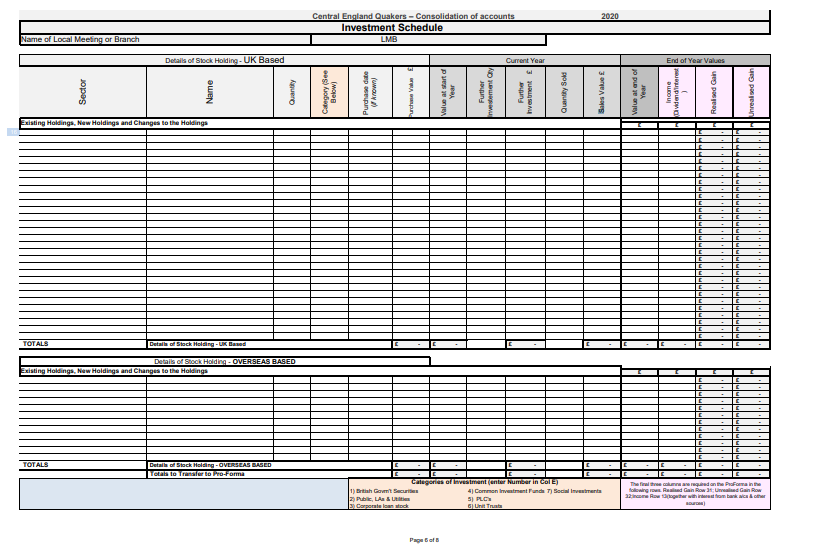
Included as an extra worksheet is a “checklist for Examiners” which is designed to ensure that examinations are undertaken consistently. There is a declaration at the end, which the Examiner is obliged to complete and sign. We do not require a “wet signature” and the form can be signed with a printed name.

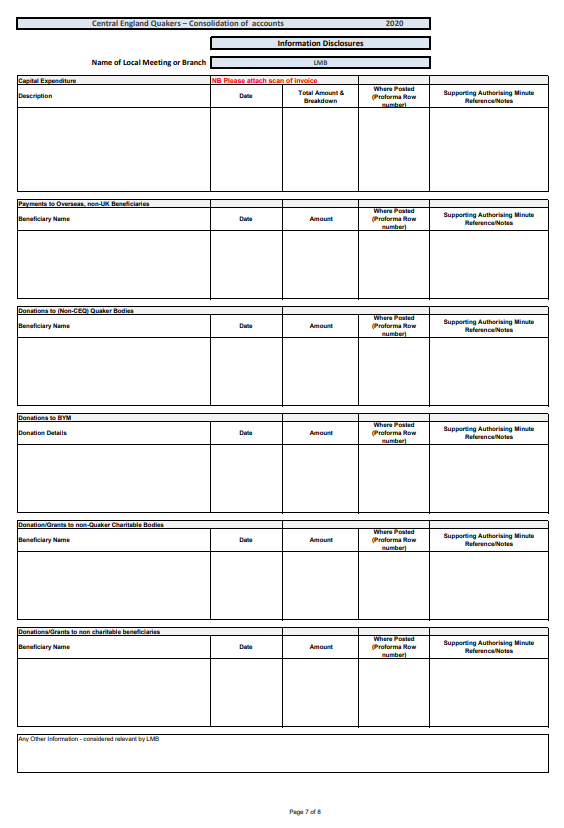












A screenshot of a document

Description automatically generated

A screenshot of a checklist

Description automatically generated

A screenshot of a computer

Description automatically generated

A screenshot of a chat

Description automatically generated