

Registered Charity Number
insert charity number on data sheet

Registered Company Number
insert company number on data sheet

NOTE TO THE USER

These accounts are not 'proper' accounts, in the sense that a lot of the text information has been left blank, and guidance notes have been left in so that the reader can see what is possible. The accounts do, however, balance!

Readers of these accounts will appreciate that they contain dummy information that has not been validated, so that some ratios and relationships may not have a great deal of significance. The purpose is merely to show what can be produced by the templates.

In addition a number of the notes appear simply as 'insert text', and the fuller version of the templates gives guidance on how these notes should be completed.

We have also left some items deliberately blank so that the reader can gain some idea of how particular problems are tackled, and how free drafting of text is required in certain parts of the accounts.

Also, **indicated in red type**, are those parts of the accounts where information has to be entered by the operator, or where text has to be drafted or disclosure decisions made.

Many sections of the trustees report would not, in practice, occur in every charity, and the paragraphs can be selectively hidden.

Clearly, all the type faces and fonts are matters of personal preference and can be varied, and when drafted the accounts can be edited to modify the manner of presentation if this is desired..

The demonstration accounts are clearly for a very complicated and diverse charity. A much simpler charity would, of course, have much less disclosure and the accounts produced by the templates would be simpler.

The templates can be used for charities ranging from very small to very large.

The Joe Smith Charity

Report and Accounts

31 March 2006

**The Joe Smith Charity
Report and accounts
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The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Introduction

The trustees present their annual report and accounts for the year ended 31st March 2006.

The board of trustees are satisfied with the performance of the charity during the year and the position at 31st March 2006 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

Name, registered office and constitution of the charity

The full name of the charity is **INSERT** The charity is also know by the name **INSERT**.

The legal registration details are :-

<i>Date of incorporation</i>	insert date of incorporation on data sheet
<i>Company Registration Number</i>	insert company number on data sheet
<i>The Registered Office is</i>	insert ro address on data sheet
<i>Charity Registration Number</i>	insert charity number on data sheet
<i>The telephone number is</i>	insert telephone on data sheet

Objectives and Activities of the Charity

A summary of the objects of the charity as set out in its governing document.

Insert suitable text

The charity's aims including the changes or differences it seeks to make through its activities.

Insert suitable text.

An explanation of the charity's main objectives for the year.

Insert suitable text.

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

An explanation of the charity's strategies for achieving its stated objectives.

Insert suitable text.

Details of significant activities (including its main programmes, projects, services provided) that contribute to the achievement of the stated objectives.

Insert suitable text.

The Charity's grant making policies

Insert suitable text.

Social or programme related investment

Insert suitable text.

The contribution of volunteers

Insert suitable text.

Summary of main activities of the charity in relation to its objects

Insert suitable text

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Achievements and Performance of the Charity

A review of charitable activities undertaken by the charity

Insert suitable text.

Fundraising activities

Insert suitable text.

Example text where there is no fundraising (not mandatory)

The charity relies on grant aid from the donors identified in the accounts , whose support is valued. There have been no other fundraising activities.

Investment performance achieved against investment objectives set

In the financial review section of this report there is a description of the investment policies and objectives established by the trustees and the extent to which social environmental or ethical considerations are taken into account.

The investment performance achieved against the objectives set was

Factors relevant to the achievement of the charity's objectives

Insert suitable text.

Summary of the main achievements of the charity during the year

Insert suitable text

Employment of disabled persons

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Structure, Governance and Management

Nature of the Governing Document and constitution of the charity

Insert suitable text

The methods adopted for the recruitment and appointment of new trustees

Insert suitable text

The policies and procedures adopted for the induction and training of trustees

Insert suitable text

The organisational structure of the charity and how decisions are made.

Insert suitable text

Membership of a wider network

Insert suitable text

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Relationships between the charity and related parties, including its subsidiaries

Insert suitable text

The major risks to which the charity is exposed and reviews and systems to mitigate risks

Insert suitable text

Relationships with other groups, charities and individuals

Insert suitable text

Financial Review

Policies on reserves

Insert suitable text

Funds in deficit

Insert suitable text

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity.

Insert suitable text

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

The investment policy and objectives, including the extent (if any) to which so environmental or ethical considerations are taken into account.

Insert suitable text

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Transactions and Financial position

The financial statements are set out on **pages * to ***. The financial statements have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective April 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) .As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities show net **outgoing/incoming** resources for the year of a revenue nature of **£** and net realised **outgoing/incoming** resources of a capital nature of **£** , making net overall realised **incoming/outgoing** resources of **£**

.

The total reserves at the year end after accounting for unrealised **losses /after revaluing investments** of **£** stand at **£** .

Specific changes in fixed assets

Give details , for example :-

Changes in fixed assets are shown in detail in the notes to the accounts.

Except for the acquisition of office furniture and equipment in the sum of **£*** there have been no movements in fixed assets.

Financial performance of the charities subsidiary undertakings

Insert suitable text about the financial performance of subsidiaries

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Funds Held as Custodian Trustee on Behalf of Others

Insert suitable text

Share Capital

The company is limited by guarantee and therefore has no share capital

Plans for Future Periods

Insert suitable text

The name of the Chief Executive Officer and other senior staff member(s) to whom day to day management of the charity is delegated by the charity trustees

Give the required details

The members of the Board of Trustees of the Charity during the year ended 31st March 2006 were :-

Give the required details

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Act. The directors are members of the company

At the Annual General Meeting ***** retire , but are eligible for reappointment.

Those persons marked with * are members of the charity.

The members of the Board of Trustees of the Charity at the date the report and accounts were approved were:-

Give the required details

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Statement as to disclosure of information to auditors

The trustees, in their capacity as directors, state that so far as each of the directors at the time this report was approved are aware:-

- a) There is no relevant audit information of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Bankers

Give details of bankers

Solicitors

Give details of solicitors

Investment advisors

Give details of investment advisors

Auditors

Insert firm name on data sheet
Insert type on data sheet eg Chartered Certified Accountants
insert address on data sheet
insert address on data sheet
insert address on data sheet

The Joe Smith Charity

The report of the trustees for the year ended 31st March 2006

Statement of Directors' and Trustees' Responsibilities

Charity Law and the Companies Acts require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed , subject to any material departures disclosed and explained in the financial statements;

The trustees are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for the contents of the trustees' report, and the responsibility of the auditors in relation to the trustees' report is limited to examining the report and ensuring that , on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

Method of preparation of accounts

The trustees, in their capacity as directors, state that the accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

**Insert name on data sheet
Director and Trustee**

The Joe Smith Charity Independent Auditors' Report

Independent auditors' report to the shareholders of The Joe Smith Charity

We have audited the financial statements of The Joe Smith Charity for the year ended 31st March 2006 which comprise the Statement of Financial Activities, the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Balance Sheet and the related notes, as set out on pages 14 to 41. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities , effective January 2005, and in accordance the requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005, under the historical cost convention and in accordance with the accounting policies set out in the notes to the financial statements.

Additional text - this text is prohibited for Certified Accountants, as they are not permitted to limit liability

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume liability to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees as directors and of the auditors

As described in the Statement of Trustees' Responsibilities on page 9 the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.

We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and in accordance with the Practice Note ' The Audit of Charities in the United Kingdom' , revised in April 2002 . An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Prior Year figures

ALTERNATIVE TEXT

The charity was exempt from the requirements of a statutory audit in the **year ended ** and** availed itself of this exemption. Accordingly , the comparative figures for the **year ended **** have not been audited, and our opinion does not extend to those figures, except where they impact on balances brought forward to the **year ended ****

Opinion

In our opinion the financial statements comply with the requirements of regulation 3 of the Charities (Accounts and Reports) Regulations 2005 and give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities of the state of the charity's affairs as at **[date]** and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and the financial statements have been properly prepared in accordance with the Companies Act 1985 and in accordance with the requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales.

We confirm that we are eligible under S.43 (2)(b) of the Charities Act 1993 to conduct this audit, and that this report is is a report in respect of an audit carried out under section 43 of the 1993 Act and in accordance with regulations made under section 44 of that Act.

Insert firm name on data sheet

Registered auditors

Insert type on data sheet eg Chartered Certified Accountants

insert address on data sheet

insert address on data sheet

insert address on data sheet

insert address on data sheet

insert address on data sheet

Registered auditors

The date upon which our opinion is expressed is :-

insert date of approval on data sheet

The Joe Smith Charity
Statement of Financial Activities
for the year ended 31 March 2006

	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
Notes	2006 £	2006 £	2006 £	2005 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary Income	248,456	484,000	732,456	669,333
Activities for generating funds	8,900	-	8,900	9,000
Investment Income	5,650	-	5,650	4,730
<i>Incoming resources from charitable activities</i>	39,000	-	39,000	35,000
Total incoming resources	302,006	484,000	786,006	718,063
<i>Costs of generating funds</i>				
Costs of generating voluntary income	4,300	700	5,000	9,500
Investment management costs	801	1,200	2,001	1,290
<i>Costs of charitable activities</i>	256,699	480,983	737,682	695,137
<i>Governance costs</i>	5,017	-	5,017	3,730
<i>Other resources expended</i>	666	-	666	222
Total resources expended	267,483	482,883	750,366	709,879
Net incoming resources before transfers between funds	34,523	1,117	35,640	8,184
Gross transfers between funds	-	-	-	-
Net incoming resources before Other recognised gains and losses	34,523	1,117	35,640	8,184
Other recognised gains and losses	-	-	-	-
Net movement in funds	34,523	1,117	35,640	8,184
Reconciliation of funds				
<i>Total funds brought forward</i>	5,020	8,517	13,537	5,353
Total Funds carried forward	39,543	9,634	49,177	13,537

The net movement in funds referred to above is the net incoming resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in the Balance Sheet on **page 15** as required by the said statement.

All activities derive from continuing operations

The notes on pages * to * form an integral part of these accounts. Enter the page numbers of the accounts

The Joe Smith Charity
Statement of Financial Activities
for the year ended 31 March 2006

Income and Expenditure Account as required by the Companies Act
for the year ended 31 March 2006

	2006	2005
	£	£
Turnover	760,356	704,333
Direct costs of turnover	744,683	705,927
Gross surplus/(deficit)	<u>15,673</u>	<u>(1,594)</u>
Governance costs	5,017	3,730
Operating surplus/(deficit)	<u>10,656</u>	<u>(5,324)</u>
Income from other fixed asset investments	5,000	4,000
Interest receivable	650	730
Interest payable	(666)	(222)
Surplus/(deficit) on ordinary activities before tax	<u>15,640</u>	<u>(816)</u>
Surplus/(deficit) for the financial year	<u>15,640</u>	<u>(816)</u>
Gift Aid Payments	-	-
Retained surplus/(deficit) for the financial year	<u>15,640</u>	<u>(816)</u>

All activities derive from continuing operations

The notes on pages * to * form an integral part of these accounts. Enter the page numbers of the accounts

The Joe Smith Charity
Statement of Financial Activities
for the year ended 31 March 2006

Statement of Total Recognised Gains and Losses
for the year ended 31 March 2006

	2006	2005
Excess of Expenditure over income before realisation of assets	15,640	(816)
Loss per Profit and Loss account	15,640	(816)
Grants for the acquisition of fixed assets	20,000	9,000
Net Movement in funds before taxation	35,640	8,184

Movements in revenue and capital funds
for the year ended 31 March 2006

Revenue accumulated funds	Unrestricted Funds	Restricted Funds	Total Funds	Last year Total Funds
	2006	2006	2006	2005
	£	£	£	£
Accumulated funds brought forward	5,020	8,517	13,537	5,353
Recognised gains and losses before transfers	34,523	1,117	35,640	8,184
	<u>39,543</u>	<u>9,634</u>	<u>49,177</u>	<u>13,537</u>
Closing revenue accumulated funds	39,543	9,634	49,177	13,537

Summary of funds	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
	2006	2006	2006	2005
Revenue accumulated funds	<u>39,543</u>	<u>9,634</u>	<u>49,177</u>	<u>13,537</u>

The statement of changes in resources applied for fixed assets for Charity use is shown in the notes to the accounts

The notes on pages * to * form an integral part of these accounts. Enter the page numbers of the accounts

**The Joe Smith Charity
Balance Sheet
as at 31 March 2006**

	Notes	2006 £	2005 £
<i>The assets and liabilities of the charity :</i>			
Fixed assets			
Tangible assets	11	344,300	349,000
Total fixed assets		<u>344,300</u>	<u>349,000</u>
Current assets			
Debtors	13	22,209	34,109
Cash at bank and in hand		13,211	11,011
Total current assets		<u>35,420</u>	<u>45,120</u>
Creditors:-			
amounts due within one year	14	(330,543)	(380,583)
Net current liabilities		<u>(295,123)</u>	<u>(335,463)</u>
Total assets less current liabilities		<u>49,177</u>	<u>13,537</u>
Creditors:-			
amounts due after more than one year		-	-
Provisions for liabilities and charges		-	-
Net assets including pension asset / liability		<u>49,177</u>	<u>13,537</u>
<i>The funds of the charity :</i>			
Unrestricted income funds			
Unrestricted revenue accumulated funds		39,543	5,020
Total unrestricted funds		39,543	5,020
Restricted income funds			
Restricted revenue accumulated funds		9,634	8,517
Total restricted funds		9,634	8,517
Total charity funds		<u>49,177</u>	<u>13,537</u>

The accounts have been prepared in accordance with the special provisions relating to small companies in Part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Trustee

Trustee

Insert name on data sheet

Approved by the trustees on insert date of approval on data sheet

The notes on pages * to * form an integral part of these accounts. Enter the page numbers of the accounts on

The Joe Smith Charity
Cash Flow Statement
for the year ended 31 March 2006

Comparatives will need to be inserted manually

	2006	2005
	£	£
Cash generated from operations		
Operating profit	10,656	-
Reconciliation to cash generated from operations:		
Depreciation	10,300	-
Amortisation of goodwill	-	-
Decrease in stocks	-	-
Decrease in debtors	11,900	-
Decrease in creditors	(50,040)	-
	<u>(17,184)</u>	<u>-</u>
Cash from other sources		
Interest received	650	-
Dividends received and gift aid received from subsidiaries	5,000	-
Grants received for the acquisition of fixed assets	20,000	-
Issue of shares for cash	-	-
New long-term bank borrowings	-	-
New finance leases and HP contracts	-	-
Proceeds from sale of intangible fixed assets	-	-
Proceeds from sale of tangible fixed assets	-	-
	<u>25,650</u>	<u>-</u>
Application of cash		
Interest paid	(666)	-
Tax paid	-	-
Dividends paid and gift aid paid	-	-
Redemption of share capital	-	-
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(5,600)	-
Redemption of finance leases and HP contracts on sale of assets	-	-
Repayment of amounts borrowed	-	-
	<u>(6,266)</u>	<u>-</u>
Net increase in cash	2,200	-
Cash at bank and in hand less overdrafts at 1 April	<u>11,011</u>	<u>11,011</u>
Cash at bank and in hand less overdrafts at 31 March	<u>13,211</u>	<u>11,011</u>
Consisting of:		
Cash at bank and in hand	13,211	11,011
Overdrafts	-	-
	<u>13,211</u>	<u>11,011</u>
Major non-cash transactions		
Capital value of new finance lease arrangements	<u>-</u>	<u>-</u>

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

1 Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2005, and all other applicable accounting standards, as modified by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005. The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act.

Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared, on a going concern basis, under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments.

The charity is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

Incoming Resources

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate.

Investment Income

Dividends are included in the income and expenditure account when they are declared at an amount which includes the tax credit recoverable from the Inland Revenue.

Rental income is included in the income and expenditure account net of collection charges on a receivable basis.

Bank Interest received is included on a receivable basis.

Compliance with Statement of Standard Accounting Practice 19

Compliance with SSAP 19 "Accounting for Investment Properties " requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given below.

Insert suitable text - see the separate note on investment property - do not duplicate disclosures

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

Deferred income

In accordance with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales .

Resources Expended

The policy for including items within the relevant activity categories of resources expended is **insert text**.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is

Costs of generating funds

insert text.see sample text AA1

Charitable activities

insert text. see sample text BA1

Governance costs

insert text see sample text CA1 - see also SORP 212 for what is required

Allocation of costs within types of resources expended

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are :-

Insert text This disclosure should include the underlying principle ie whether based on staff time, staff salaries, space occupied or other. Details of any estimation techniques should also be given

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

Unrealised and realised gains

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date, compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

Investments held by the charity

The policy for including investments in the accounts is as follows :-

Possible text might be

Listed investments have been included in the balance sheet at their mid- market value at the year end.

Unlisted investments have been included in the balance sheet at an independent valuation provided by *

Fixed assets and depreciation

Suggested wording to be altered as appropriate

All tangible fixed assets, except freehold land and buildings, are stated at cost less depreciation. Freehold land and buildings are stated at a valuation arrived at by a professionally qualified firm of valuers, who valued the assets on the basis of open market value in current use.

Items of less than £100 are not capitalised.

Depreciation has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives.

Freehold land and buildings	2% straight line
Vehicles	25% straight line
Plant and machinery	25% straight line

A regular annual review of the likelihood of asset impairment is undertaken. The basis of this review is

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

Capital grants

The board of trustees consider that , in order to comply with the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective October 2005), gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

If the related assets are subject to restrictions by the grant making organisation on their use and disposal, then these restrictions are noted in the fixed asset section of these accounts. In such circumstances, the fixed asset fund created is treated as a restricted fixed asset fund. As the related assets are depreciated, then a transfer is made from restricted fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset subject to the restriction. In this year, a sum of **INSERT (INSERT)** was transferred from restricted fixed asset funds to unrestricted revenue reserves.

If the related assets are not subject to restrictions by the grant making organisation on their use and disposal, then the fixed asset fund created is treated as a designated fixed asset fund. As the related assets are depreciated, then a transfer is made from designated fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset. In this year, a sum of **INSERT (INSERT)** was transferred from designated fixed asset funds to unrestricted revenue reserves.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised

Insofar as this policy relates to Government grants and to the extent that it may be a departure from the Statement of Standard Accounting Practice Number 4, such departure is justified on the basis that it is in order to comply with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company , and is therefore included in the relevant costs in the Statement of Financial Activities

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Finance leases are accounted for in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2005.

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

Funds structure policy

Suggested text

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully the monitor the application of those funds in accordance with the restrictions placed upon them.

A fixed asset fund is maintained which represents the written down value of tangible fixed assets, and is divided into a restricted fixed asset fund representing the written down value of those assets subject to restrictions, with the balance being in a designated fund representing the written down value of those assets free of restrictions. The detailed operation of these funds is described under the accounting policy ' Capital grants'

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above.

Any other proposed transfer between funds would be considered on the particular circumstances.

Change of accounting format

As a result of adopting the activity approach required by the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) (the SORP) issued by the Charity Commissioners for England & Wales, the comparative figures for the prior period have been restated in order to comply with the new formats required by the SORP.

Recognition of pension costs and pension assets and liabilities

insert text.

Treatment of exceptional items

insert text

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

3 Surplus/(deficit) for the financial year	2006	2005
	£	£
This is stated after crediting :-		
Revenue Turnover from ordinary activities	760,356	704,333
and after charging:-		
Depreciation of owned fixed assets	10,300	9,000
Rentals under operating leases	5,000	5,000
Indemnity Insurance for trustees and employees	450	230
Auditors' Remuneration	4,000	3,500

Funds belonging to the charity have been used for the purchase of insurance to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part. The sum expended on such insurance was as indicated in the above schedule.

4 Statement that no expenses were paid to trustees or connected persons

No expenses were paid to trustees.

5 Detailed analysis of certain transactions required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005)

Various items which are required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005) to be disclosed in the notes to the accounts are set out in the Detailed Schedule to the Statement of Financial Activities and its appendices **on pages * to ***, which should be read together with these notes.

6 Investment Income	2006	2005
	£	£
Income from listed fixed asset investments	5,000	4,000
Other bank deposit interest received	650	730
	<u>5,650</u>	<u>4,730</u>

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

7 Analysis of support costs

Insert the text required by SORP 167 here. This is mandatory and cannot be deleted, unless there are no support costs. If so delete this text to autohide.

An analysis of support costs by activity (TABLE 4) is included in the detailed schedule to the Statement of Financial Activities and should be cross referred in this text

8 Analysis of charitable expenditure

Insert the text required by SORP 189 to 194 here. This is mandatory and cannot be deleted unless there are no charitable expenditure costs. If so delete this text to autohide..

An analysis of charitable expenditure by activity (TABLE 5) is included in the detailed schedule to the Statement of Financial Activities and should be cross referred in this text

9 Analysis of grants payable in furtherance of the charity's objects

Delete this text to autohide the note if no grants are payable

Insert the text required by SORP 189 to 194 here. This is mandatory and cannot be deleted if there are grants payable.

An analysis of grants by activity (TABLE 6) is included in the detailed schedule to the Statement of Financial Activities and should be cross referred in this text. There is also an analysis by institution which should be cross referred

10 Staff Costs and Emoluments

	2006	2005
	£	£
Gross Salaries	638,221	644,119
Employer's National Insurance	26,445	13,090
	<u>664,666</u>	<u>657,209</u>

Numbers of full time employees or full time equivalents

2006	2005
12	5

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year. *Alternatively* ' No trustees or persons connected with them, other than those shown above, received any remuneration

Delete this text to autohide if the text is not required

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

11 Tangible functional fixed assets

	Plant, Machinery & Vehicles £	Freehold Land and buildings £	Total £
Asset cost, valuation or revalued amount			
At 1 April 2005	8,000	350,000	358,000
Additions	5,600	-	5,600
At 31 March 2006	<u>13,600</u>	<u>350,000</u>	<u>363,600</u>
Accumulated depreciation and impairment provisions			
At 1 April 2005	2,000	7,000	9,000
Depreciation on revaluation	-	-	-
Charge for the year	3,300	7,000	10,300
At 31 March 2006	<u>5,300</u>	<u>14,000</u>	<u>19,300</u>
Net book value			
At 31 March 2006	<u>8,300</u>	<u>336,000</u>	<u>344,300</u>
At 31 March 2005	<u>6,000</u>	<u>343,000</u>	<u>349,000</u>

All assets are used for direct charitable purposes and there are no inalienable or heritage assets

The assets were acquired with the aid of grant aid and there are restrictions upon the manner in which the assets can be dealt with imposed by the grant making authorities.

The methods used in the impairment review to determine net realisable value and value in use were

12 Undistributed Donated goods

Insert the text required by SORP 132 or delete this text to autohide

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

13 Debtors	2006	2005
	£	£
Trade debtors	21,000	32,000
Prepaid expenses	1,209	2,109
	<u>22,209</u>	<u>34,109</u>

Amounts due after more than one year included in the total above are analysed as:-

14 Creditors: amounts falling due within one year	2006	2005
	£	£
Trade creditors	320,000	371,000
Amounts due to associated or subsidiary undertakings	-	-
Accrued expenses	10,543	9,583
	<u>330,543</u>	<u>380,583</u>

**15 Assets and liabilities held by the charity as an intermediary agent
and not included in the Balance Sheet**

insert text to comply with requirements. Ensure the totals agree with the movements excluded from the SOFA - **see note funds received and paid for third parties but excluded from the b sheet**

**16 Assets and liabilities held by the charity as an intermediary agent
and not included in the Balance Sheet**

insert text to comply with requirements. Ensure the totals agree with the movements included from the SOFA - **see note funds received and paid for third parties and included in the b sheet**

The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006

17 Operating Leases	2006	2005
	£	£
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within one year	2,000	2,000
within two to five years	1,000	1,000
	<u>3,000</u>	<u>3,000</u>

18 Post Balance Sheet events

Insert the statement required by the the FRSSE or FRS21 or delete this text to autohide

19 Analysis of the Net Movement in Funds	2006	2005
	£	£
Net movement in funds from Statement of Financial Activities	15,640	(816)
Net resources applied on functional fixed assets	(5,600)	-
Add Grants Received to fund fixed assets	20,000	9,000
Net movement in funds available for future activities	<u>30,040</u>	<u>8,184</u>

The net resources applied on functional fixed assets and the net investment in programme related investments represents the cost of additions less proceeds of any disposals.

20 Particulars of Individual Funds and analysis of assets and liabilities representing funds

At 31 March 2006	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	344,300	-	-	344,300
Current Assets	25,786	-	9,634	35,420
Current Liabilities	(330,543)	-	-	(330,543)
	<u>39,543</u>	<u>-</u>	<u>9,634</u>	<u>49,177</u>
	£	£	£	£
At 1 April 2005	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	349,000	-	-	349,000
Current Assets	36,603	-	8,517	45,120
Current Liabilities	(380,583)	-	-	(380,583)
	<u>5,020</u>	<u>-</u>	<u>8,517</u>	<u>13,537</u>

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

The individual funds included above are :-

	Funds at 2005	Movements in Funds as below	Transfers Between funds	Funds at 2006
	£	£	£	£
Blkshire County Council	12,537	23,000	-	35,537
Lottery Commission	1,000	12,640	-	13,640
	<u>13,537</u>	<u>35,640</u>	<u>-</u>	<u>49,177</u>

Analysis of movements in funds as shown in the table above

	Incoming Resources £	Outgoing Resources £	Gains & Losses £	Movement in funds £
Blankshire county council	125,000	102,000	-	23,000
Toytown district council	34,000	21,360	-	12,640
Lottery Commission	200,000	200,000	-	-
Piggy bank Charitable Trust	200,000	200,000	-	-
A Rich Individual	120,000	120,000	-	-
The Community Fund	20,000	20,000	-	-
Facilities in kind	30,000	30,000	-	-
Other funds	57,006	57,006	-	-
	<u>786,006</u>	<u>750,366</u>	<u>-</u>	<u>35,640</u>

.Disclose the reasons for the funds and how each of the funds has arisen (including designated funds), the restrictions imposed and the purpose of each fund should be provided. An indication should also be given as to whether or not sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions. For example, if a charity has a fund which is to be spent in the near future, it should be made clear in the notes whether or not the assets held (or expected to be received) in the fund are liquid assets.

Any funds in deficit should always be separately disclosed. An explanation should be given in the Trustees' Annual Report (see paragraph 55(b)). Designated funds should never be in deficit.

Material transfers between different funds and allocations to designated funds should be separately disclosed, without netting off. This can be done either by a text note, or by entering a column of figures above this text box, and should be accompanied in this text box by an explanation of the nature of the transfers or allocations and the reasons for them.

**The Joe Smith Charity
Notes to the Accounts
for the year ended 31 March 2006**

21 Endowment Funds

The charity had no endowment funds in the year or in the prior year.

22 Share Capital

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter

There are 340 members of the company (2005 - 342 members)

The Joe Smith Charity
Schedule to the Statement of Financial Activities
for the year ended 31 March 2006

Status of this schedule to the Statement of Financial Activities

This schedule is an intrinsic part of the accounts required to comply with the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005. However, it is not a part of the statutory accounts required under the provisions of the Companies Act 1985 in relation to incorporated charities.

Incoming Resources			2006	2005
			£	£
	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2006	2006	2006	2005
			£	£
Incoming Resources from generated funds				
Voluntary Income				
Grants, legacies and donations				
Government and public bodies				
Incoming resources of a revenue nature				
Lottery Commission	-	200,000	200,000	150,000
Blankshire County Council	125,000	-	125,000	200,000
Toyton District Council	-	34,000	34,000	20,000
Total	125,000	234,000	359,000	370,000
Non government and non public bodies				
Incoming resources of a revenue nature				
Piggy Bank Charitable Trust	-	200,000	200,000	230,000
A Rich Individual	120,000	-	120,000	57,000
Total	120,000	200,000	320,000	287,000
Government and public bodies				
Incoming resources for acquisition of fixed assets (including donations of assets)				
The Community Fund	-	20,000	20,000	9,000
Total government grants for fixed assets	-	20,000	20,000	9,000
Total Grants, Legacies & Donations Received	245,000	454,000	699,000	666,000
Gifts in kind, donated services and facilities				
Use of Council premises	-	30,000	30,000	-
Other voluntary income				
Members' Subscriptions	3,456	-	3,456	3,333
Total Voluntary Income	248,456	484,000	732,456	669,333
Activities for generating funds				
Shop income from sale of donated and bought in good	8,900	-	8,900	9,000
Total of activities for generating funds	8,900	-	8,900	9,000

The Joe Smith Charity
Schedule to the Statement of Financial Activities
for the year ended 31 March 2006

Investment Income

Income from listed fixed asset investments	5,000	-	5,000	4,000
Other bank deposit interest received	650	-	650	730

Total Investment Income	5,650	-	5,650	4,730
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Incoming resources from charitable activities

Primary purpose trading	35,000	-	35,000	32,000
Other ancillary trading to benefit beneficiaries	4,000	-	4,000	3,000

Total Incoming resources from charitable activities	39,000	-	39,000	35,000
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Total Incoming Resources	302,006	484,000	786,006	718,063
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The Joe Smith Charity
Schedule to the Statement of Financial Activities
for the year ended 31 March 2006

Costs of generating funds

Costs of generating voluntary income

Cost of fundraising activities	2,000	-	2,000	3,000
<i>Support costs for generating voluntary income</i>				
Depreciation of assets used for fundraising	-	-	-	-
Costs reallocated from governance costs	2,300	700	3,000	6,500
	2,300	700	3,000	6,500
Total costs of generating voluntary income	4,300	700	5,000	9,500

Fundraising Trading

Investment management costs

Costs reallocated from governance costs	801	1,200	2,001	1,290
	801	1,200	2,001	1,290

Charitable expenditure

Costs of activities in furtherance of the charity's objectives

Cost of goods for primary purpose trading	-	3,000	3,000	2,000
<i>Support costs of charitable activities</i>				
Gross wages and salaries - charitable activities	241,999	377,000	618,999	624,000
Employers' NI - Charitable activities	12,000	13,900	25,900	12,000
Volunteers' Costs	-	6,734	6,734	8,923
Resource Costs	-	1,234	1,234	902
Child Care for volunteers	-	9,222	9,222	8,109
Costs reallocated from governance costs	400	31,893	32,293	30,203
Depreciation of assets used for charitable purposes	2,300	8,000	10,300	9,000
Cost of premises in kind	-	30,000	30,000	-
	256,699	477,983	734,682	693,137

The Joe Smith Charity
Schedule to the Statement of Financial Activities
for the year ended 31 March 2006

Governance costs that are not direct management functions inherent in generating funds, service delivery and programme or project work (including management and administration costs)

Specific governance costs

Indemnity Insurance	450	-	450	230
Salaries - Administrative staff	2,000	8,000	10,000	12,010
Employers' NI - Administrative staff	45	500	545	1,090
Auditors' remuneration	4,000	-	4,000	3,500
Legal fees	567	-	567	-

Management and administration costs

Employee costs:

Recruitment expenses	-	345	345	-
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Premises Costs

Rent payable	-	5,000	5,000	5,000
Rates, water and service charges	-	4,567	4,567	4,521
Insurance	1,000	5,000	6,000	5,500
Light and heat	-	3,200	3,200	2,900

General administrative expenses:

Telephone and fax	-	2,300	2,300	2,010
Postage	-	560	560	600
Stationery and printing	-	3,299	3,299	3,109
Subscriptions	-	1,022	1,022	920
Bank charges	456	-	456	333

Less Governance costs reallocated to specific activities

Costs of generating voluntary income	(2,300)	(700)	(3,000)	(6,500)
Investment management costs	(801)	(1,200)	(2,001)	(1,290)
Support costs for charitable activities	(400)	(31,893)	(32,293)	(30,203)

Total governance costs after reallocation	5,017	-	5,017	3,730
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The basis for the allocation of costs as shown above is explained in the accounting policies and the notes to the accounts.

Other resources expended

Interest payable	666	-	666	222
Total Other Resources Expended	666	-	666	222

The Joe Smith Charity
Schedule to the Statement of Financial Activities
for the year ended 31 March 2006

Schedule of investment income

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total
	2006 £	2006 £	2006 £	2005 £
Income from listed fixed asset investments				
Fred Bloggs plc	5,000	-	5,000	4,000

**The Joe Smith Charity
Schedule to the Statement of Financial Activities
for the year ended 31 March 2006**

**Appendices to the Statement of Financial Activities
for the year ended 31 March 2006**

The following appendices are attached to detail the activity analysis required by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005.

- 1. Analysis of Total Incoming & Outgoing Resources by Activity**
- 2. Analysis of Total Support Costs by Activity**
- 3. Analysis of charitable expenditure by activity**
- 4. Analysis of grants made by activity**

The Joe Smith Charity

Appendix 1

Analysis of Total Incoming & Outgoing Resources by Activity
for the year ended 31 March 2006

	Fundraising	Other Activities	Pre School Group	Playgroup	Summer Camp	2006 Total	2005 Total
	£	£	£	£	£	£	£
<i>Incoming resources from generated funds</i>							
Voluntary Income	-	200,000	508,000	23,000	1,456	732,456	669,333
Activities for generating funds	8,900	-	-	-	-	8,900	9,000
Investment Income	-	5,650	-	-	-	5,650	4,730
<i>Incoming resources from charitable activities</i>	-	-	36,633	2,367	-	39,000	35,000
<i>Other Incoming Resources</i>	-	-	-	-	-	-	-
Total Incoming Resources	8,900	205,650	544,633	25,367	1,456	786,006	718,063
<i>Costs of generating funds</i>							
Costs of generating voluntary income	5,000	-	-	-	-	5,000	9,500
Fundraising trading - costs of goods and other costs	-	-	-	-	-	-	-
Investment management costs	2,001	-	-	-	-	2,001	1,290
<i>Costs of charitable activities</i>	-	201,000	513,226	22,000	1,456	737,682	695,137
<i>Governance costs</i>	-	5,017	-	-	-	5,017	3,730
<i>Other resources expended</i>	-	666	-	-	-	666	222
Total resources expended	7,001	206,683	513,226	22,000	1,456	750,366	709,879
Net Incoming Resources by activity	1,899	(1,033)	31,407	3,367	-	35,640	8,184

The Joe Smith Charity

Appendix 2

**Analysis of Total Support Costs by Activity
for the year ended 31 March 2006**

Nature of support costs						2006	2005
	Fundraising	Other Activities	Pre School Group	Playgroup	Summer Camp	Total	Total
	£	£	£	£	£	£	£
Management	-	40,483	45,000	3,500	-	88,983	60,037
Finance	-	200	300	-	-	500	400
Information Technology	-	2,000	1,300	-	-	3,300	3,200
Human Resources	-	161,443	470,000	12,000	1,456	644,899	636,000
Total support costs analysed by activity	-	204,126	516,600	15,500	1,456	737,682	699,637

	2006	2005
	£	£
The above amounts are shown in the accounts as		
Support costs for generating voluntary income	3,000	6,500
Support costs for fundraising trading	-	-
Support costs for charitable activities	734,682	693,137
Support costs for grants paid	-	-
	737,682	699,637

The basis of allocation of costs and the methods used are described in the notes to the accounts

The Joe Smith Charity

Appendix 3

Analysis of charitable expenditure by activity for the year ended 31 March 2006

Nature of charitable expenditure	Fundraising	Other Activities	Pre School Group	Playgroup	Summer Camp	2006 Total	2005 Total
	£	£	£	£	£	£	£
Activities undertaken directly	-	3,000	-	-	-	3,000	2,000
Support costs of charitable activities	-	204,126	513,600	15,500	1,456	734,682	693,137
Total charitable expenditure analysed by activity	-	207,126	513,600	15,500	1,456	737,682	695,137

An explanation of the main features of charitable expenditure is given in **note INSERT** to the accounts

Appendix 4

Analysis of grants made by activity for the year ended 31 March 2006

	Fundraising	Other Activities	Pre School Group	Playgroup	Summer Camp	2006 Total	2005 Total
	£	£	£	£	£	£	£
Grants to individuals	-	-	-	-	-	-	-
Grants to institutions	-	-	-	-	-	-	-
Total grants made analysed by activity	-	-	-	-	-	-	-

An explanation of the main features of grants paid is given in **note INSERT** to the accounts