

A close-up photograph of several red poppies with green stems and leaves, set against a blurred background of more poppies. The image is used as a background for the text.

Specialist support for  
**charities and not-for-profit organisations**  
across the UK - Trusted partners in financial  
clarity, governance, and impact

# Helping charities do more with less

In today's climate, charities are expected to deliver more outcomes and services, often with fewer resources. In this environment, financial clarity, strategic insight, and professional support are essential.

Charities across the UK are experiencing mounting financial and operational pressures. Economic, social and political shifts are creating uncertainty. Many are also navigating complex regulatory requirements from the Charity Commission, HMRC, and other authorities.

At Parker Russell, we understand these challenges. For over fifteen years, we have worked alongside charitable organisations of all sizes. Our aim is simple: to provide the financial expertise and assurance your charity needs to remain sustainable, accountable, and focused on delivering impact.

# Who we are

## **Our Commitment to the Charity Sector**

We specialise exclusively in supporting the finance and governance functions of charities and not-for-profit entities. Whether it is preparing annual accounts, carrying out statutory audits, or advising on governance strategy, we provide expert, practical solutions tailored to the third sector.

We do not offer one-size-fits-all advice. We work closely with you to understand your goals and responsibilities, and we adapt our approach to suit your structure, resources, and complexity.

## **Our Experience**

- More than fifteen years serving charities and social purpose organisations
- Senior team with over thirty years of sector-specific experience
- Fully compliant with FRS 102 and Charity SORP standards
- Registered auditors with deep knowledge of diverse charity structures

# Who we serve

We work with a wide range of charitable organisations across England and beyond. Our clients include:

- Charitable Incorporated Organisations
- Charitable Companies Limited by Guarantee
- Unincorporated Charities and Trusts
- Community Interest Companies
- Community Benefit and Co-operative Societies
- Family Foundations and Grant-making Trusts
- Religious Bodies and Educational Charities
- Youth, Arts, and Cultural Organisations
- Health and Social Care Charities
- Environmental Charities and Advocacy Groups
- Exempt Charities and Academies

Our services scale to support small local charities as well as national and international not-for-profit networks.



# Our services

## **1 Statutory Audit and Independent Examination**

We carry out statutory audits and independent examinations in line with regulatory requirements. More importantly, we aim to deliver meaningful feedback that improves financial controls, systems, and governance.

## **2 Governance and Trustee Support**

We support boards of trustees with governance reviews, strategic planning, policy development, and risk management frameworks to help charities maintain integrity and accountability.

## **3 Charity Tax and Reliefs**

Our tax planning service ensures charities make full use of their available reliefs. We provide advice on corporation tax exemptions, Gift Aid claims, VAT exemptions, and business rates relief.

## **4 Gift Aid Administration**

We help you optimise Gift Aid revenue by reviewing eligibility, refining claims processes, and ensuring full HMRC compliance. We also support the Small Donations Scheme.

## **5 Reserves and Financial Planning**

We work with management and trustees to create practical and appropriate reserves policies that meet Charity Commission expectations and reflect your funding environment.

## **6 Group Structures and Trading Subsidiaries**

If your charity has or needs a trading subsidiary, we can advise on legal structuring, inter-company agreements, tax implications, and consolidated reporting.

## **7 VAT Consultancy**

VAT is often complex for charities. We offer assistance with VAT registration, partial exemption methods, and setting up systems to reduce cost and ensure compliance.

## **8 Digital Finance and Cloud Accounting**

We support charities in choosing and implementing cloud-based finance software, such as Xero and QuickBooks, to help streamline bookkeeping, reporting, and budgeting.

## **9 New Charity Formation**

We guide new organisations through the process of charity registration, legal structure selection, governance setup, financial controls, and HMRC approvals.

## **10 Mergers, Closures, and Restructuring**

When your organisation is planning change, we provide full support on accounting treatment, due diligence, staff transitions, and compliance throughout the process.

## **11 Outsourced Finance and Payroll Services**

Our in-house team can handle your day-to-day bookkeeping, payroll, and auto-enrolment, ensuring your records are timely, accurate, and ready for scrutiny.

# Understanding SORP

## What is the Statement of Recommended Practice (SORP)?

The Charity SORP provides the official framework for preparing financial statements and annual reports in line with FRS 102. All charities above a certain income threshold are required to follow it.

SORP is designed to promote high standards of financial reporting in the charity sector.

## Why SORP is Important

- It ensures transparency for donors, regulators, and the public
- It creates consistency across different types of charitable organisations
- It helps trustees meet their legal and fiduciary duties

## Key Components of Charity SORP

1. Trustees' Annual Report – A detailed narrative of the charity's objectives, activities, achievements, and future plans
2. Statement of Financial Activities – A summary of income, spending, and fund movements during the financial year
3. Balance Sheet – A financial position snapshot at year-end
4. Cash Flow Statement – Inflows and outflows of funds
5. Notes to the Accounts – Accounting policies, fund types, and disclosures

## Fund Accounting under SORP

Charities must clearly identify the following fund types:

- Unrestricted Funds – General purpose donations and grants
- Restricted Funds – Contributions for specific projects or purposes
- Endowment Funds – Funds held for investment or restricted long-term use

## Recent SORP Developments

The latest Charities SORP version aligned with FRS 102 came into effect for accounting periods beginning on or after January 2019. Key changes include:

- New rules on grant and donation income
- Related party disclosure enhancements
- Revised guidance for investment reporting
- Clarified presentation for comparative financial information

Our team provides up-to-date advice and hands-on support with all SORP-related matters.

# Why Accounting and Auditing Services can be provided by the same firm

In the UK, it is both legal and common for a single firm to provide accounting and auditing services to the same client, including charities and not-for-profits. This is acceptable as long as the firm maintains proper independence, objectivity, and ethical standards, particularly in relation to the audit function.

## 1. Regulatory and Ethical Safeguards Are in Place

Firms that are registered auditors in the UK are subject to the Ethical Standard issued by the Financial Reporting Council (FRC). This standard outlines strict rules for auditors, including safeguards to manage any potential conflicts of interest when non-audit services (such as accounting or payroll) are also provided.

For example:

- The audit team must not be involved in preparing the financial statements they later audit.
- Any accounting services must be clearly separated from the audit process.
- Audit independence must always be protected.

If these safeguards are in place, it is permissible for the same firm to offer both services.

## 2. Efficiency and Sector Expertise

For charities, using one firm for both accounting and auditing can offer:

- **Deeper sector knowledge:** A firm familiar with charity regulations (like SORP and FRS 102) can provide accurate accounting and more meaningful audits.
- **Continuity and context:** The firm understands the organisation's structure, systems, and funding, reducing duplication of work.
- **Cost-effectiveness:** A single provider may reduce administrative burden and offer economies of scale.

## 3. Compliance with Charity Commission Guidelines

The Charity Commission does not prohibit charities from using the same firm for both services, provided trustees ensure:

- **Independence is preserved**
- **Proper oversight and documentation** are in place
- **Decision-making is transparent**, particularly if trustees approve both appointments



#### 4. Clear Separation of Roles Within the Firm

Many reputable firms use **separate teams** for accounting and auditing, with **firewalls** in place. The audit team will independently verify financial statements that may have been prepared by a different team within the same organisation.

This separation ensures the audit remains objective and compliant with the law and ethical guidance.

##### Conclusion

Using the same firm for both accounting and audit is not only allowed, but often beneficial - especially in complex sectors like charities - as long as **auditor independence** is respected and properly managed.

Parker Russell, as a registered audit firm with deep expertise in the not-for-profit sector, follows strict professional standards and ethical safeguards to deliver both services with integrity and transparency.

## Let us help your charity succeed

Today's charities face increasing demands for accountability, compliance, and transparency. But you do not need to face these alone.

At Parker Russell, we bring clarity, expertise, and partnership to your financial operations - so you can focus on delivering impact in the communities you serve.

Whether you are starting out, scaling up, or restructuring, our team is ready to support your journey.

Please contact Sophie Wilson at [swilson@parkerrussell.co.uk](mailto:swilson@parkerrussell.co.uk) for any further information or clarification. She will be best placed to provide the required details and assist you accordingly.

Alternatively, you may also reach out to Lili Wu, Partner in Charge of Charity Audit, at [lwu@parkerrussell.co.uk](mailto:lwu@parkerrussell.co.uk) for related matters.

**Let's work together.**  
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