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Mersey Kidney Research

Who Are Mersey Kidney Research?

In 1964 the foundation of Mersey Kidney Research (MKR) established Liverpool as a leader in the practise of home dialysis. Its present remit is to support and raise funds for research into diseases of the kidney, bladder and urinary tract. Current research work is being funded in the departments of organ transplantation, urology and nephrology at the Royal Liverpool University Hospital.

Many of our former research fellows are now Directors of their own specialist departments within the Royal Hospital and Arrowe Park Hospital. MKR funds pay for salaries and costs of research fellows during their normal tenure of two or three years.

The Research conducted at MKR has had a major impact on the prevention of progressive kidney disease in many thousands of patients nationally.

How is Mersey Kidney Research Funded?

MKR is none government funded and is therefore completely reliant on the generosity of the public, be it through corporate and local fundraising, legacies, and general donations.

We are constantly searching for corporate support. As most companies support a charity, every year we would welcome any company or individual to consider supporting Mersey Kidney Research as their chosen charity. Any new and ingenious ways you can think of to raise funds would also be most appreciated.

MKR is currently supported by three major sub fundraising committees. The members of our committees are all volunteers, and give their time and help most generously to continually raise funds. If you can spare some time and would like to become involved with one of our committees (based in Liverpool, Wirral and Chester) please do not hesitate to contact us for further information.

Re-launch of Mersey Kidney Research 2010

In the very near future, MKR will be running a major competition to design a new logo. The logo competition will be open to businesses, schools, universities and indeed anyone who wants to put their creative skills to use and come up with an innovative and exciting new logo. The aim of this exercise is to promote Mersey Kidney Research by putting us firmly on the map.

The winner of the logo competition will be awarded a significant prize at our Grand Re-launch Party.

This will provide a brilliant opportunity for any company out there who wishes to sponsor MKR and take advantage of the significant media attention anticipated thus promoting your own business at the same time.

For more information on this, or any other queries you may have, please contact Susie Stalsberg, Head of Fundraising on 07792971988 or Ann Edge, Administration Officer on 0151 706 3598.

Registered Charity No. 250895

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CHARITY UPDATE

EDITION 7

GOVERNMENT HELP FOR THE CHARITY SECTOR

The government has announced a new plan to facilitate the charity and voluntary sector in times of a recession and to provide help to some of the most deprived areas across the country. The main aim is to offer support for voluntary organisations, charities and social enterprises. The initiative provides funds to help with a number of problems which have been identified in the charity sector recently, including mergers and partnerships, job opportunities and community funds. The £42.5 million available will be welcomed by the majority of charities who have been struggling during the global economic downturn.

Of the £42.5 million, £16.5 million is to help the charity sector to evolve and change through mergers and partnerships. This follows the Charity Commission creating a 'Register of Mergers' which enables the public to access up to date information on any mergers or changes in ownership between charities. This allows any funds left to a charity, through wills and donations, to automatically transfer to the successor charity after the merger. Trustees can then access the donations by informing the Charity Commission of the change in ownership. This Modernisation Fund will help with the cost of mergers and partnerships, and also encourage the sharing of functions across charities.

The Department of Work and Pensions are to allocate £10 million to create job opportunities for the unemployed and provide opportunities to learn new skills through volunteering. The Volunteer Brokerage Scheme will create over 40,000 opportunities for people to learn new skills and give back to communities through volunteering.

A Community Resilience Fund will use £15.5 million to provide funding, through grants, to small and medium enterprises which are in areas that have suffered increased deprivation as a result of the recession. The grants will offer services such as skills development, debt and financial advice and family breakdown services.

Other areas that are covered within the government initiative include an investment in the School for Social Entrepreneurs and a national campaign which aims to raise awareness of the Government's commitment to pay all invoices within ten days in order to improve cash flow in small businesses.

The new scheme aims to strengthen communities and encourage social enterprise. However the fund falls short of the £100 million sought by the National Council for Voluntary Organisations (NCVO). This problem coupled with the increase in demand for most of the third sector services suggests more funding will be needed in the future in order to maintain the strength and performance of the charity sector.

In this issue...

Approved Consultant 2008 ncvo

INVESTOR IN PEOPLE

Why it pays to be independent

Whilst many charities have investment sub-committees and have appointed investment managers to administer on a day to day basis the charity funds, for example stock broker, investment houses etc, we believe there is merit, as with the trustees of pension schemes, in having an independent investment advisor. The role of the independent advisor is not to manage the money but to ensure the strategy, asset allocation and remit given to the investment manager accords with the charities objects and profile of revenue and expenditure.

Charities run the risk of retaining investment managers through historical connection, diminishing the link between the investment strategy and the needs of the charity, and the tactical implementation of investment decisions. Although investment managers may have the relevant experience and knowledge of the sector, independent investment advisors provide impartial advice and will remain neutral in the advice they give.

This independent advisor can also assist in improved benchmarking of the performance of the selected investment managers and the charities performance overall, and where applicable assist the trustees in selection of alternative investment managers. They can also provide comparisons both within the charity and against other industry norms, to show best practice and assess performance.

The independent investment advisor will ensure the investment policy statement effectively communicates the charity's investment needs and meets regulatory requirements.

Charities can gain specialist advice on investment decisions which can generate higher returns and spread risk across a diversified portfolio of assets. The continued monitoring and reviewing of the investment performance and market trends will allow the charity to assesses the weaker assets and utilize the strengths.

One point to mention is that the charity needs to have an internal infrastructure in place to allow the most effective and efficient implementation of the investment strategy. This includes identifying the correct communication structures both internally and externally.

To ensure the charity's, the trustees' and the independent investment advisors' objectives are consistent, the trustees will need to inform the independent advisor of any constraints to the type of investments the charity is willing to do, this may include investment restrictions which may contradict the charity's objects. The trustees will also need to agree upon a specific timeframe for the investments as well as the risks they are willing to take.

Receiving proper financial advice is key to the continued success of any charity. Independent investment advisors ensure the most effective investment decisions are made which provide the charity with an alternative revenue stream as well as ensuring the objects of the charity are met. Many prospective donors and supporters look to a charity's investment strategy as an indicator of success and ultimately use this in their decision making. Therefore this area is significant in a charity's strategy and is very influential to all interested parties.

Zero rating of new charitable buildings

HMRC have announced a change in the interpretation of the law concerning the zero rating of new buildings used for charitable or residential purposes.

A building must be used for at least 95% charitable use for zero rating to be appropriate (previously 90%). More importantly the withdraw of an Extra Statutory Concession means that if there is a change of use within ten years of the zero rating there will be a claw back charge. Under the Concession there was no change of use charge. This could have serious implications for any charities with a new building or who are in the planning or construction stages and future change of use is being considered.

Additionally, if a charity is forced to change the use of a building, for example because of economic necessity, a claw back of VAT will have to be factored into the cashflow forecasts.

Protect your charity against soaring utility costs

In times of economic difficulty, it is more important than ever to avoid unnecessary costs, and rising utility bills can represent a significant proportion of a charity's overheads.

Conducting a utility audit might seem like a time consuming distraction but you could be pleasantly surprised by how much it adds to your bottom line. By understanding your utility services and implementing conservation habits, you can reduce energy waste and develop energy savings and solutions.

Don't get left in the cold! Use the checklist (below) to identify potential savings for your organisation.

Make a member of staff responsible for checking all utility bills – Make sure they know how the bills are calculated, what tariffs are available etc, and question any suspect charges

Carry out your own readings of all energy and water meters each month – Use the information to plot patterns of use

Annually review the tariffs you use – Not only do your usage patterns change, your suppliers also change the deals they offer

Shop around for cheaper electricity and/or gas suppliers – Even as suppliers raise their prices, you could shave pounds off your bills

Monitor overnight energy usage – Check if it is being used by essential equipment and if so that you have the best overnight tariff

Make the best use of cheap rate electricity – If you can arrange usage by water heaters etc so that 15% of total electricity usage occurs during off peak hours, you might benefit from switching to a day/night tariff

If you are on a Maximum Demand tariff, review your supply capacity – If your declared supply capacity is more than 15% higher than your highest Maximum Demand, contact your supplier to have it lowered

Find ways to reduce usage during peak hours – Try rescheduling non-essential activities

If you are on a monthly tariff, check your power factor – Check that you are not being penalised for a poor power factor

If your site has more than one gas meter, make sure they are aggregated for billing purposes – This can reduce both standing and unit charges and could lead to a better rate

Make sure your water meter is the right size – Standing charges are calculated according to meter size – don't pay for an unnecessarily large one

Invest in energy efficient appliances and equipment – Have you considered the enhanced capital allowances for energy-saving equipment? Contact us for more details of the allowances available to you.

New Tax Fines and a New Appeals System

In what many see as an early step to reduce Government debt, April marks the start of a new regime which has been dubbed the "Big Bang" by accountants and businesses.

Charities are being urged to take extra care with tax matters as new penalties for incorrect returns is putting extra pressure on all businesses. Charities are at risk to pay fines for any bad "behaviour" behind any "careless" and/or "deliberate" and/or "concealed" errors on almost any type of tax related document filed with HM Revenue and Customs (HMRC) after 1/4/09 for almost all taxes (including VAT, PAYE and CIS).

Whilst there is no fine for making an innocent mistake (and some fines for "careless" errors can actually be "suspended" to encourage better "behaviour") much greater care will be needed to manage the risk (and especially the resolution) of disputes with HMRC from now on, including:-

- Fee protection insurance to cover the cost of routine checks by HMRC
- Avoiding too many innocent mistakes as these will soon be regarded as "careless" mistakes
- Recording evidence to show that "reasonable care" is taken to avoid "careless" mistakes

Several "new" errors will also need to be disclosed to HMRC to avoid "new" fines, including:-

- "Careless" VAT errors which must be disclosed separately to HMRC irrespective of their size
- Failing to advise HMRC if they have understated your tax or VAT bill
- Overstated (but unrelieved) trading subsidiary losses carried forward
- Timing differences – e.g. incorrect trading subsidiary year end stock figures

In addition HMRC now have further powers to inspect records and "intervene" in current business accounts and/or tax returns to carry out checks in "real time" instead of waiting for tax returns to be filed up to 12 months after the year end.

Experience in managing the risk (and especially the resolution) of disputes with the former parts of HMRC will be critical in the future. If you are not certain that your systems provide 100% correct figures for HMRC please get in touch soon as our considerable experience will quickly highlight required remedies at minimal cost.
In addition, April also marks the start of a new "aligned" appeals procedure which abolishes former Inland Revenue Commissioners hearings and former Customs and Excise Tribunal hearings. New rules include:-

- An independent review of any dispute by HMRC (which many question as independent) and
- a much reduced chance of recovering costs where HMRC withdraw from any appeal.

If you would like to find out more information on how you can protect your charity from these new tax fines and the new appeals system, get in touch and we can ensure that you avoid being caught out.