



UHY Ross Brooke
Chartered Accountants

Charity and NFP Sector Outlook

2026/27



Helping you prosper

Contents

- 4 Editor's welcome →
- 6 Embedding impact and sustainability reporting under the revised SORP 2026 →
- 10 Do not forget about dilapidations →
- 12 More than survival: resilience in the modern charity sector →
- 16 UHY in conversation with the Randal Foundation →
- 22 Making finance easier for charities →
- 26 Chasing shadows: charity governance in the age of AI →
- 30 What's changing for charity tax compliance? →
- 32 VAT compliance: ten essential checks for trustees and finance managers →
- 36 Combating charity fraud and cyber threats →
- 40 Audit or independent examination: making the right choice for your charity →
- 42 UHY in conversation with the Blue Light Card Foundation →
- 46 Our sector expertise →

Welcome to the tenth annual edition of our Charity and Not-for-Profit Outlook.

Editor's welcome

Welcome to our Charity and NFP Sector Outlook for 2026/27. The past 12 months have seen a wave of new legislation and guidance affecting UK charities, making this a particularly timely and packed edition.

Two developments, in particular, are set to have a significant impact on charities in the years ahead: the finalisation and publication of the new Charities SORP 2026, and the most substantial changes to charity tax legislation in over a decade. Together, these changes will have implications for financial reporting, governance and operational decision making across the sector. On [page 30](#), James Kemp from our Sittingbourne office outlines the key charity tax changes organisations should now be preparing for.

A major focus of this year's Outlook is the finalised Charities SORP and what it means in practice for charities. In last year's edition, we explored the ten most significant proposals within the draft framework. Now that the reporting standard has been confirmed, we turn our attention to one of its most welcome developments: the strengthened emphasis on charities demonstrating their impact and reporting on sustainability. Harriet Hodgson-Grove, partner in our London office and UHY's national head of sustainability, provides practical guidance on these new requirements on [page 6](#).

One of the key financial reporting changes under the new SORP is the requirement for charities to bring significant leases onto their balance sheet. This brings to the fore the need for charities to consider whether associated dilapidations provisions also need to be provided for. I consider the practical requirements for assessing these obligations on [page 10](#).

At the same time as the Charities SORP was published in October, the Department for Culture, Media and Sport (DCMS) finalised its consultation on charity audit thresholds, increasing the income threshold by 50% to £1.5 million. With over 90% of charities registered with the Charity Commission reporting income of £1 million or less, a large number will now fall outside the statutory audit requirement going forward. Grace Pay, associate director in our Abingdon office, examines the value of retaining an audit versus moving to an independent examination on [page 40](#).

Continuing the theme of risk, last year the Charity Commission published its inaugural Charity Sector Risk Assessment, identifying financial resilience as a significant challenge for charities. Dave Allum, partner in our Nottingham office, shares his thoughts on resilience in the sector on [page 10](#). Taking a broader perspective, he looks not only at financial pressures, but also at leadership, governance and the human aspects of wellbeing.

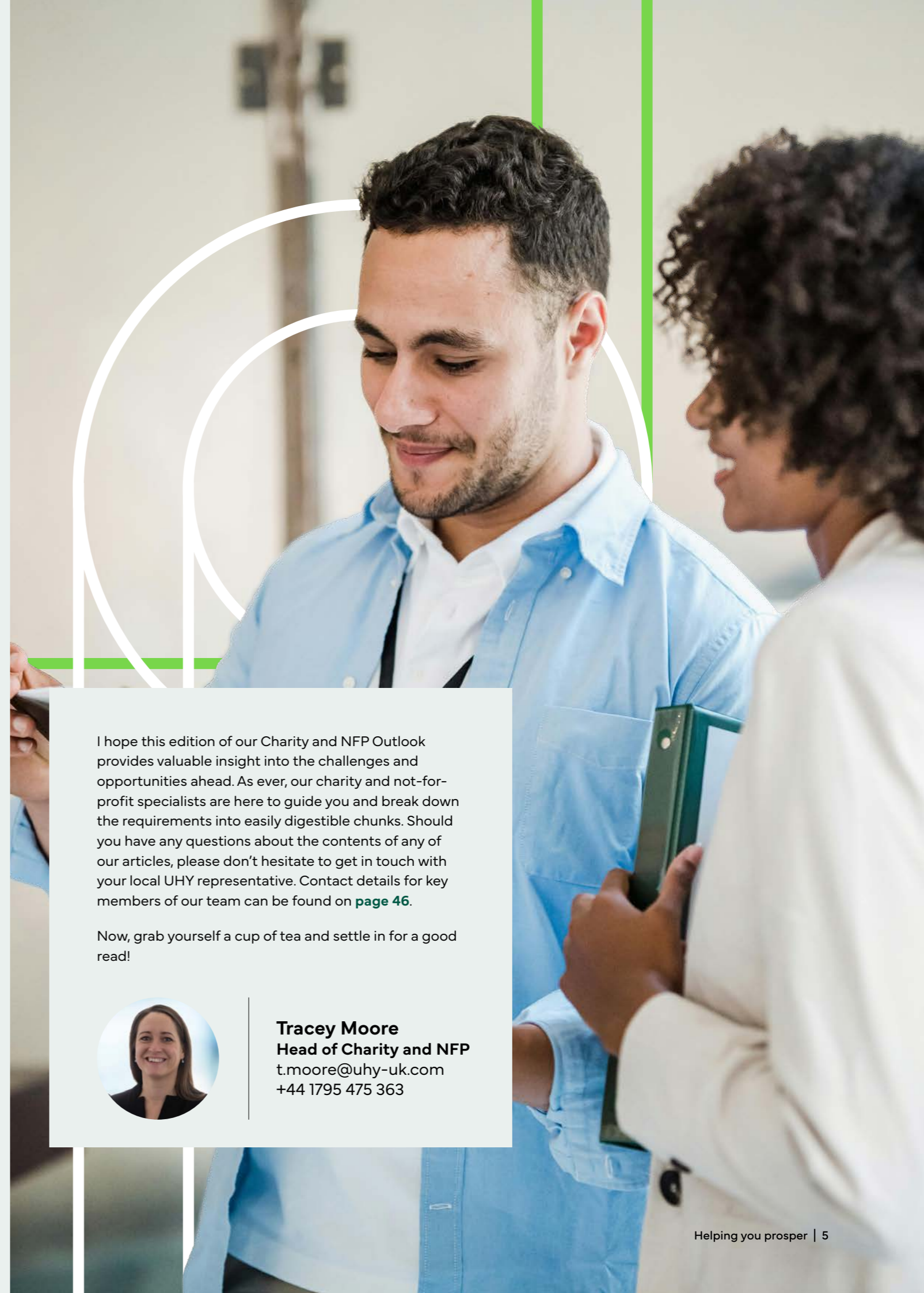
For many smaller charities, one route to reducing financial risk within lean finance teams is the outsourcing of finance functions. On [page 22](#), Harry Howley, a partner in our York office, explores how outsourcing part or all of the day-to-day finance function can strengthen controls, provide access to specialist charity expertise and reduce administrative burden.

Continuing the focus on risk, audit managers Zaynab Aswat and Xiaoxia Li from our London office consider the ongoing threat of cyber fraud facing charities on [page 36](#).

Of course, it wouldn't be a UHY Outlook without an insight from our fantastically knowledgeable VAT team. Getting the basics right is essential, and Sean Glancy, VAT partner, and Lisa Burnside, VAT director, from our London team provide a useful aide-mémoire to help charities check their treatment on [page 32](#).

Finally, this year's Outlook also features a number of guest contributions and interviews, offering both legal insight and real-world perspective from across the sector. Shakespeare Martineau Solicitors shine the spotlight on the growing role of artificial intelligence and governance on [page 26](#), with solicitor Ellis Pugh examining what trustees need to be thinking about from a legal perspective as AI becomes increasingly embedded in organisational decision making.

Alongside this, we hear directly from sector leaders. We speak to Emma Woods-Bolger, CEO of the Blue Light Card Foundation, on [page 42](#), exploring how the charity supports those in the emergency services community. We also sat down with Dr Nik Kotecha, Founder of the Randal Charitable Foundation, to discuss its mission, impact and what it means to give with purpose on [page 16](#). I am confident both conversations will prove insightful and inspiring for readers across the sector.



I hope this edition of our Charity and NFP Outlook provides valuable insight into the challenges and opportunities ahead. As ever, our charity and not-for-profit specialists are here to guide you and break down the requirements into easily digestible chunks. Should you have any questions about the contents of any of our articles, please don't hesitate to get in touch with your local UHY representative. Contact details for key members of our team can be found on [page 46](#).

Now, grab yourself a cup of tea and settle in for a good read!



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Embedding impact and sustainability reporting under the revised SORP 2026

The Charities SORP 2026 marks a significant shift in trustee reporting expectations. Charities are now expected to explain not only what they do, but the difference it makes (impact) - and, for the largest charities, how sustainably they operate (environmental, social and governance matters).

In practice, these disclosures are increasingly important not just for compliance, but for funding, stakeholder trust and long-term resilience. Funders, donors, commissioners and regulators want to understand **what changed because you exist, and how well-run and future-focused you are.**

The trustees' annual report as your 'shop window'

The Trustees' Annual Report is often the first, and sometimes only, document a funder, commissioner, donor or regulator will read. SORP 2026 pushes charities to use it as a clear, evidence-based story of purpose, delivery and difference - rather than a list of activities.

A good report is not about length. The aim is an honest, clear, well-evidenced narrative that avoids clutter and helps readers understand what you set out to do, what you did and what changed as a result.

Start with your tier

SORP 2026 introduces a three-tier framework based on gross annual income (total income before deductions):

- Tier 1: up to £500,000
- Tier 2: £500,000 to £15 million
- Tier 3: over £15 million

The tiers are cumulative. A Tier 3 charity must meet the Tier 1 and Tier 2 requirements as well as the Tier 3 requirements. If you are close to a threshold, it is worth planning ahead before you cross it.

What has changed for all charities?

Across all tiers, SORP 2026 strengthens narrative reporting. All charities must now explain their impact, describe what volunteers do (not just how many there are), link objectives clearly to performance, compare actual reserves with reserves policy and include a forward-looking summary of plans for the year ahead.

Impact reporting: from activity to difference made

SORP 2026 asks trustees to distinguish clearly between outputs, outcomes and impact:

- outputs: what you delivered (activities and reach)
- outcomes: what changed for beneficiaries as a result
- impact: the longer-term difference made, often across society.

Example 1 - food bank

A food bank charity supporting households experiencing financial hardship might initially focus on the volume of support provided. Under SORP 2026, trustees are encouraged to go further by explaining what that support achieved for beneficiaries and why it matters in the longer term.

Output: We delivered 1,200 food parcels to 480 families.

Outcome: 92% of recipients reported reduced food insecurity.

Impact: Families could prioritise household bills, reducing debt and mental health burden.

Clearly addressing each point helps move the narrative from operational success to demonstrable social value.

Example 2 - befriending service

The same principles apply to services where the benefit is less tangible. For instance, a befriending charity providing regular contact to older or isolated people may find it straightforward to count activity, but impact reporting allows trustees to show how that contact contributes to wider health and wellbeing outcomes.

Output: Number of visits or calls made (and who was reached).

Outcome: People supported report feeling less lonely and more connected.

Impact: Reduced social isolation and associated health consequences (for example, fewer GP visits and hospital admissions over time).

Trustee checklist - four questions to sense-check your impact narrative

1. In what way has the charity's work made a difference to the circumstances of its beneficiaries?
2. Has the work provided any wider benefits to society as a whole?
3. What measures or indicators are used to assess performance (including environmental or social issues where relevant)?
4. How have activities contributed to the achievement of the charity's aims?

Format matters. Infographics, case studies, statistics and anonymised beneficiary testimonials can help communicate impact effectively, without turning your report into a brochure.

Sustainability and ESG reporting

For Tier 3 charities, a sustainability (ESG) section is mandatory. Smaller charities are also encouraged to report proportionately where relevant to their mission. The focus should be on the most material issues, not a standalone sustainability report.

Practical examples include:

- A housing charity reporting on energy efficiency of properties, renewable energy plans and carbon reduction targets.
- A grant-making foundation explaining how climate considerations influence investment policy and grant decisions.

On the social side, this is about demonstrating that the charity 'practices what it preaches' - that its commitment to social good is reflected in how it treats staff and volunteers, supports wellbeing and promotes inclusion.

A simple structure that works

If you want a clear way to structure, or restructure, the Trustees' Annual Report, use this cycle:

- objectives and strategy
- what you planned
- what you did
- outcomes and impact
- plans for the future and what you will do next year.

This shows how impact and sustainability reporting fit into the whole report, rather than being bolt-on sections. It also helps trustees and readers see the logical thread from purpose to delivery to difference.



How easy it can be: practical steps to get started

Getting ready for SORP 2026 does not need to be complex. Most charities can make a strong start by building on what they already do.

First, **identify your tier** and map the requirements. Confirm your gross income tier and review your current Trustees' Annual Report against the 'must/should/may' language that applies to you. A simple gap analysis against last year's report will quickly show where change is needed.

Next, **start with what you already know**. Many charities already hold useful information on travel patterns, building energy use, procurement, waste, cyber and data controls, safeguarding and staff wellbeing. The task is often to turn existing practice into a clear narrative, rather than creating something new.

Keep it manageable by **defining a small set of measures**. Three to five indicators linked to your objectives are usually enough to begin with (and for Tier 3 charities, focus on the most material sustainability issues). These can be refined over time.

Collect impact evidence throughout the year, not just at year end. Beneficiary feedback, case studies and testimonials are far easier to gather as you go and result in stronger reporting.

Finally, **keep it proportionate**. SORP 2026 does not require a long report. It requires an honest and well evidenced one that tells a coherent story. Avoid clutter and focus on what matters most to your stakeholders.

Making SORP 2026 work for you

SORP 2026 reflects a wider shift in expectations of charity transparency and accountability. While only the largest charities face mandatory sustainability reporting, every charity can benefit from clearer impact reporting and a more coherent trustees' report. Done well, this strengthens compliance, funding conversations and public trust - without adding unnecessary burden.



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Our SORP 2026 webinar series

The revised Charities SORP brings some of the most wide-ranging changes to charity accounting and reporting in many years. Charities need to understand not just what is changing, but what it means in practice.

We have created a short, practical five-part webinar series focused on the key areas of change. Each short session is firmly grounded in real world application, helping you prepare with confidence for the 2026 reporting cycle and beyond.

Topics covered include:

Trustees' Annual Report under the new SORP

Understanding the refreshed reporting framework, including stronger narrative reporting, impact and outcomes, ESG, reserves and future planning expectations.

Income recognition

A practical walkthrough of the revised income recognition rules, including the five step model for exchange transactions, updated grant income treatment and legacy considerations.

Lease accounting

An overview of the new lease accounting model, including balance sheet recognition, exemptions, social donation leases and the potential impact on reported assets, liabilities and reserves.

Related parties

Identifying, managing and disclosing related party transactions, including the removal of intragroup exemptions and new requirements around commitments at the reporting date.

Panel discussion

A reflective session bringing together speakers from across the series to explore common challenges, practical lessons and what charities should prioritise as implementation approaches.

The series is suitable whether you are just beginning to assess the impact of the new SORP or are already planning for implementation.



Charities SORP 2026
What's changing in the
Trustees' Annual Report



View the full series, including on demand recordings and upcoming sessions, on our website here.

Do not forget about dilapidations

One of the significant changes introduced by the Charities SORP 2026, compared with the Charities SORP (FRS 102), is the requirement for charities to bring their significant leases onto the balance sheet as 'right-of-use' assets.

The requirement

Unless a charity works fully remotely, or is fortunate enough to own its own building, there will usually be a lease in place for a property that is used as a head office or other functional space to deliver its charitable activities.

Standard lease conditions typically cover what will happen at termination of the lease agreement between the landlord and the charity. This can take many forms, including:

- requiring the charity to pay a sum of money to the landlord (which may or may not be quantified in the lease)
- requiring the charity to reinstate the property to its original state when first occupied
- requiring the charity to undertake a basic redecoration.

Either way, this represents an obligation by the charity that must be recognised in their accounts. Commonly, as accountants, we collectively term this a dilapidations provision.

Is this actually a change?

It has always been a requirement for charities (and other entities) to include a provision for dilapidations in their accounts. However, for one reason or another, it may not have been included. This may be simply because the charity has overlooked this clause in their lease agreement or because it was determined that they could not reliably estimate the provision.

The new Charities SORP 2026 includes a new module (10A) which clarifies the reporting requirements for provisions. Although there has been no change to the three criteria that require a provision to be recognised:

1. present obligation as a result of a past event
2. it is probable
3. the amount of the settlement can be estimated reliably.

The new module expands upon the requirement for estimating an obligation reliably, clarifying that this should be the charity's **best estimate**.

I have an existing property lease – but currently no dilapidations provision in my charity's accounts

If you have an existing lease and no provision included in the accounts for dilapidations related to that property, you will need to establish a reliable estimate.

1. **Firstly, check the terms of your lease agreement.** What sort of obligation does the charity have? Are you required to fully reinstate the property to its original state or does your landlord simply require the premises to be freshly painted? If it's the latter, you should be able to make an estimate of this cost yourself and, if the value isn't material, it doesn't necessarily have to be brought into the accounts as a provision.
2. **If the obligation is the former, you must include a dilapidations provision, by making your best estimate.** The most efficient and reliable way to do this would be to commission a dilapidations survey from a qualified professional. Although this report costs money, it may also be beneficial as the surveyor, if engaged to do so, can assist in negotiating the eventual dilapidations sum with the landlord upon the lease termination, which could potentially save some money at the end of the lease.

I have an existing property lease – and already include a dilapidations provision in my accounts

Great! You have already complied with the relevant reporting requirements and included a dilapidations provision in the accounts. However, this should not simply be left unchanged until the end of the lease.

Charities must review their best estimate of a provision at each balance sheet date and adjust it to reflect the current best estimate of the settlement amount. If there has been a significant change in costs, or there is a long time until the end of the lease, you may wish to commission a dilapidations survey mid-way through the lease period.

I have a new lease

If your charity enters into a new lease, the same steps apply as those set out earlier in this article. In the first instance, this involves reviewing the lease to establish the charity's obligation.

If a dilapidations provision is required, there are two straightforward ways you could approach this. The first is to consider whether the cost of reinstating the property to its original state is equivalent to the cost of installing any changes in the first place. Alternatively, if contractors are being used to undertake the works, you could ask them to provide an estimate for reinstatement.

Other considerations – time value of money

Depending on the break clause, or lease termination date, you will need to consider the time value of money, and whether the provision you have made requires discounting. This sounds like a complicated accounting concept, but it isn't once you know how to apply the calculation. Again, the new module 10A in the Charities SORP 2026 provides clear guidance for charities on what criteria they should be applying in determining their discount rate. This may vary from charity to charity.

Audit impact: If you have discounted your provision as you consider the time value of money to be material, please also keep any documentation, screenshots or information used to determine the discount rate used.

The time required to commission a dilapidations survey should be considered early on, so that finding a suitable professional and the time needed for them to prepare the report does not impact on your charity's own financial reporting timeline. We would therefore recommend that you start reviewing lease agreements now, putting the wheels in motion to consider whether a dilapidations provision is required.

Audit impact: Please retain any supporting documentation such as survey reports, quotes or estimates that have been used by the charity in determining the best estimate.



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More than survival: resilience in the modern charity sector

Resilience.

Noun.

The capacity to withstand or to recover quickly from difficulties; toughness.

Wikipedia provides the following definition: “psychological resilience, or mental resilience, is the ability to cope mentally and emotionally with a crisis, or to return to pre-crisis status quickly”.

Resilience is generally understood either as a developmental process that can be cultivated over time, or as a relatively stable personality trait.

What matters more to me is what resilience looks like in practice, and why it feels so relevant to the charity sector right now.

One of my interests is the Korean martial art of Tae Kwon Do, which has a number of tenets set out as its philosophy. The final one of these is ‘indomitable spirit’, or an unyielding, courageous and unconquerable nature. People with indomitable spirits refuse to give up or be defeated. For me, this is a much more helpful definition of resilience; the refusal to give up or be defeated. That sounds very much like almost everyone working in the charity sector right now.

A sector under pressure, but built to endure

The charity sector has had a tough time in the last few years: Covid, the cost-of-living crisis, funding pressures, rising costs from all angles and, at the time of writing, the current conflict in the Middle East. It’s fair to say that operating conditions have not been easy.

Yet statistics published by the Charity Commission show a level of stability. Over the last five years, the general trend for charities deregistering stands at around 5,000 per annum. With an average total sector size of around 170,000 registered charities, less than 3% are deregistering. At the same time, a broadly comparable number of new charities are joining the register annually, meaning the overall size of the sector remains relatively consistent.

This stability stands in contrast to the wider corporate sector, where hundreds of thousands of companies are dissolved and removed from the Companies House register each year. Set against that backdrop,

this provides good evidence of the underlying resilience of the charity sector.

For me, it paints a picture of a sector doing everything it possibly can to deliver and ensure the needs of beneficiaries are met. Anecdotally, we know this growing need is unlikely to be met by increased funding alone. In fact, many charities tell me that the costs of delivery are rising faster than funding levels. So how is demand still being met?

Adapting delivery: lessons learned from the hospice sector

One segment of the charity sector which demonstrates the ‘how’ is the hospice sector. The traditional model of bedded units has, in many instances, been identified as unsustainable, with operating costs simply rising by more than the funding received. To continue to deliver, many hospices have moved to ‘hospice in the home’ models, allowing fully trained teams to deliver respite services in the home and community as an alternative to bedded units. This allows the units to be retained for those most in need, or those who cannot be cared for in their own homes. In some cases, reduced reliance on bedded units, and in certain instances their partial or full closure, has enabled hospices to care for more people overall by adopting lower overhead, community-based models.

A side effect of this approach has been the creation of surplus assets which can be used for other activities, often generating much needed additional income. For example, the creation of conference facilities and meeting rooms, or the sale of assets to generate cash. This can be summarised as hospices reaching crisis mode and, after feeling the need to do something different to simply survive, making deliberate changes to their operating model to ensure continued delivery. It feels very much like a refusal to give up – and a clear example of resilience in action.



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The commercial angle: evolving operating models

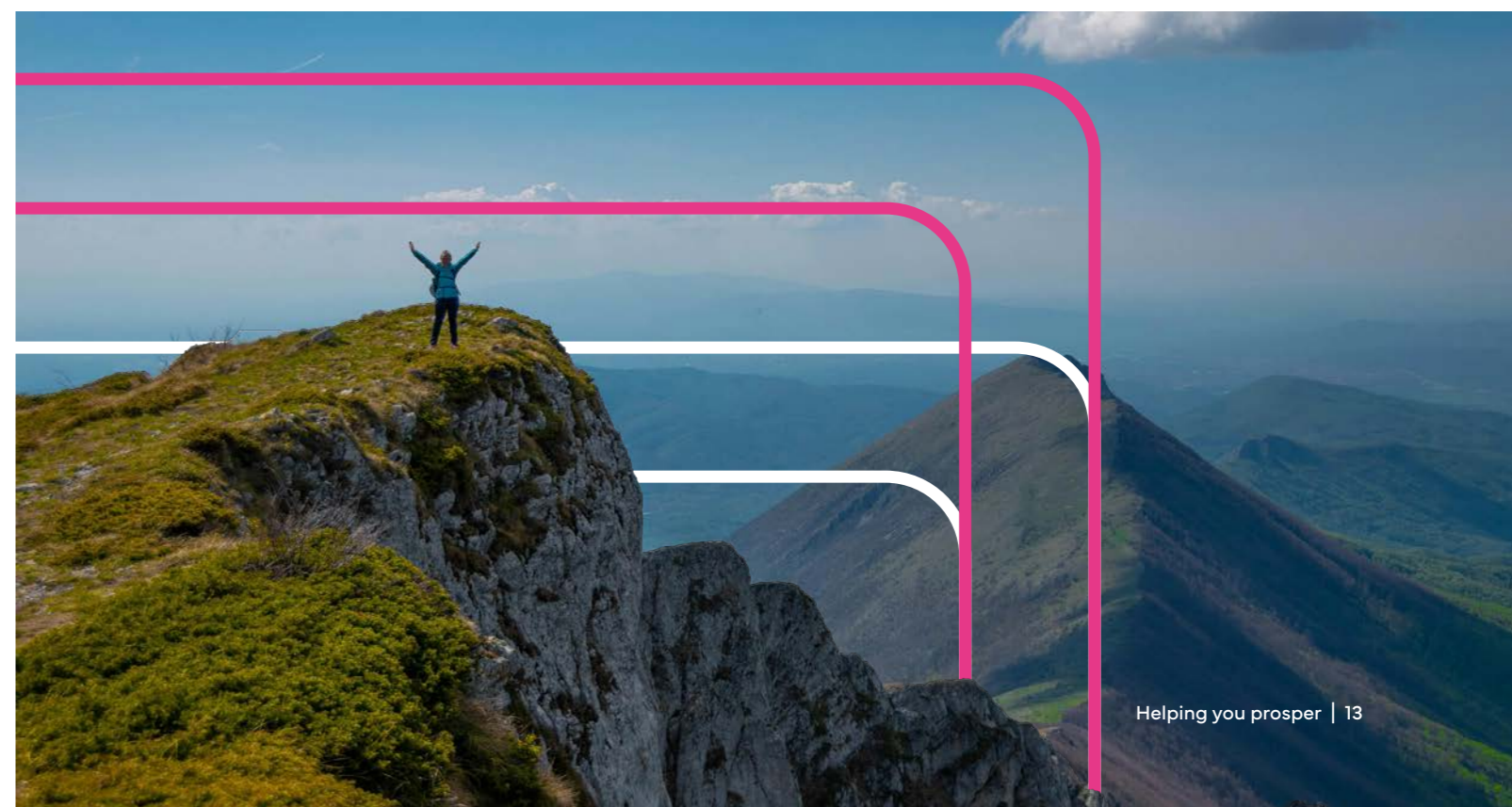
Further evidence of this operating model pivot can be seen in the increasingly commercial approach charities are adopting. Many successful charities are investing in functions that are key to success – such as dedicated heads of income, professional bid writing teams to maximise success in grant applications, and the recruitment of CEOs with first-hand experience of operating in the commercial sector. It is also no surprise that charities are now far more likely to work in partnership with one another, delivering projects jointly rather than competing for increasingly limited funding.

One of the more human aspects of change is perhaps the recognition that the CEO and service delivery teams, whilst often (if not always!) demonstrating superhuman qualities, are still only human. They face limitations in what they can deliver, experience burnout just as those working in the commercial sector do, and carry the emotional weight of difficult decisions such as needing to cut costs just to stand still. Great charities recognise and embrace this human aspect. Asking for help is no longer seen as failure, asking for personalised development plans is no longer seen as selfish, and asking for training is no longer seen as an unnecessary cost.

The forces driving change: governance and leadership

What’s driving this aspect of change? For me, it comes down to getting the right people involved at board level. In the past, boards of trustees often comprised retired individuals wanting to give something to the community or people with a personal connection to the charity. In many cases, trustees met quarterly, asked a small number of questions on board papers they had not always read in advance, and were not always well equipped to contribute meaningfully to strategic decision-making.

Charities with strong boards haven’t created this success by accident. Increasingly, there has been a deliberate focus on understanding what each trustee contributes, carrying out skills gap audits and running formal recruitment processes to fill any gaps. The result is a more diverse range of skills around the board table, with trustees who are willing and able to contribute, challenge management constructively and share experience where it is needed. Put simply, many boards now have the right people with the right skill sets, capable of supporting and challenging the executive team and providing effective support to the CEO through periods of change.



Building resilience: acceptance, change and creativity

If one were to ask the question, “so how do I become resilient?”, my view is that there is not a quick fix or simple checklist. Sadly, it’s not something that can be learned on a course or a webinar either. Resilience is essentially a state of mind, shaped over time by a combination of nature and nurture. While there are few tips for nature, there are certainly some important takeaways for nurture.

My belief is that acceptance must exist for resilience to develop. By that I mean accepting the situation for what it is and recognising that there are two choices – give up and go home or accept that the situation is untenable and needs to change. Against the definition of resilience above, this would be a mindset that seeks to return to the pre-crisis state.

Reaching that point of acceptance is rarely easy. It will often be accompanied by well-meaning but unhelpful voices in the background saying things such as “this too will pass” or “let’s wait and see, it might get better”. However, once acceptance is reached, the next stage is to set a new course and pivot.

As Albert Einstein once said, the definition of insanity is doing the same thing twice and expecting a different result. Change takes courage, and it also takes support - from colleagues, the board and wider stakeholders. Change management is a large subject in its own right and not something I can do justice to here.

If there is a need to do something differently, it will require creativity. For me, this requires the calm mind of acceptance and a determination, grounded in a deep understanding of the charity’s mission. This is where the carefully developed board of trustees really comes into its own. Bringing together the collective skills of a board, whether through an away day or dedicated strategy meeting, will help build the new direction. A CEO, no matter how capable, cannot build a sustainable strategy on their own.

Once the new plan is developed, sustained support becomes essential. That support needs to come from all stakeholders. Employees need to understand and commit to the direction of travel, service users may need to accept changes in how support is delivered, and trustees must actively support the senior team and help drive implementation. One of the most critical support roles sits with the board. The right board, bringing the right skills and experience, can provide both guidance and challenge, helping enable change to be delivered effectively - reinforcing yet again why having the right trustees in place matters so much.

The final element is reflection. Is the change working? Is it delivering effectively? Are there any lessons to be learned or development points to be made? This loops back to acceptance. We reached a point where we had to change, we made a change, but did it work? How could delivery be improved? Were the right decisions made, or do we need to accept that some mistakes were made and return to the stages of creativity and change?

Resilience as a way of thinking

Resilience is perhaps best described as something you recognise when you see it – difficult to define precisely, but unmistakable in practice. My belief is it is a state of mind; the refusal to give up. There’s no quick route to resilience, but by having the right people supporting your charity – trustees, leaders and teams alike - it is possible to build the resilience needed to continue delivering impact, even in the most difficult times.



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What it means to give with purpose

UHY in conversation with the Randal Foundation

Founded in 2017 by Dr Nik Kotecha and his wife, Moni Kotecha, the Randal Foundation was established with a clear and ambitious aim: to save and significantly improve the lives of one million people in the UK and around the world. With a strong focus on impact, the Foundation works across both the UK and internationally, supporting initiatives that address access to healthcare, education, poverty and mental health, while delivering measurable and lasting change.

Through targeted charitable investment and strategic partnerships, it has already contributed to the saving and improvement of hundreds of thousands of lives, reflecting a clear commitment to purpose-led giving that delivers tangible outcomes. Founded on the belief that meaningful change can, and should, happen now, the Foundation's approach is shaped by both entrepreneurial thinking and a deep understanding of global and local need.

We were delighted to sit down with Dr Nik Kotecha to discuss the journey behind the Foundation, the principles that guide its work, and how a focused, evidence-led approach to giving can have a lasting impact.



Dr Nik Kotecha OBE DL
Founder and Chairman
The Randal Foundation

The Randal Foundation was founded with a clear ambition to save and significantly improve the lives of one million people in the UK and around the world. Can you tell us about the journey behind that vision, and how your experience as a business leader and philanthropist has shaped it?

The Foundation was set up in 2017, and we started giving grants in 2018. But the journey really goes back much further than that. In the mid-1990s, I started Morningside Pharmaceuticals. It began in my garage and grew into a global business, focused on the manufacture and export of generic medicines. From the very beginning, it was a 100% export business which over 30 years grew to be a leading supplier of medicines to the NHS. What drove that was recognising both an opportunity and a need, particularly in the developing world, where access to quality, cost effective medicines was extremely limited.

There were a lot of counterfeit medicines in circulation, and a lot of poor-quality alternatives. I could see that there was real value in UK-manufactured medicines where quality was assured. Getting those medicines into the hands of people who needed them most meant that lives could be saved, and that people could access healthcare solutions that simply didn't exist before.

Looking back, it was a very socially driven model. At the time, I was building a business, but today it would probably be described as social entrepreneurship. The question that sat behind it all was quite simple: why is there such a disparity in access to healthcare between the Western world and developing countries, and what can we do to address that?

When I exited the business in 2022, the Foundation was already in place. In many ways, it was a natural continuation of that thinking. The areas we focus on through the Foundation are very closely aligned to what the business was trying to achieve for over 30 years. Saving lives, improving lives and creating access to things that should not be out of reach for people.

How would you describe the Foundation's purpose today, and the principles that underpin the work you do?

Our purpose is very clear. It is about directly saving lives today. Our vision is to save and significantly improve the lives of one million people. That is our current target, and we are already well on the way to achieving it. To date, we have contributed to saving over 200,000 lives and significantly improving the lives of over 750,000 more.

But it is important to say that this is not a short-term ambition. The Foundation is set up as a family foundation, and we fully expect it to continue beyond us. It is designed to be intergenerational. The million lives target is where we are focused now, but the mission will continue to evolve and grow over time.

In terms of how we work, we focus on scale and pace. We work with organisations that are aligned with our values and that are entrepreneurial in their approach. We are very deliberate in how we invest, and we aim to lead strategic programmes that can deliver real, measurable change.

Everything we do is grounded in the idea that charitable investment should make a tangible difference. It is not enough to give. We need to be confident that what we are supporting is genuinely saving lives or significantly improving them.

The Randal Foundation has a strong focus on supporting local communities. How do you identify where your funding and support can deliver the greatest long-term impact?

My background is in science. I trained as a medicinal chemist specialising in drug discovery, my early work was very much focused on data, evidence and finding solutions that could be proven to work. That way of thinking has carried through into both my business life and the work we do through the Foundation.

Everything we do is evidence-led. When we look at where to invest, we start by asking what difference this will make and how that difference can be measured. It is easy to find places to give money to. There is no shortage of need. But for us, the key question is whether that investment will genuinely deliver impact.

When organisations come to us, we ask them very directly: how many lives might be saved as a result of this work? How many lives might be significantly improved? And how will you stringently evidence that? We carry out a significant amount of due diligence. We ask organisations to stand by the data they provide, and we incorporate that into how we monitor and report on our own impact.

At the same time, we recognise that not every organisation has the capacity to evidence impact in the same way and very often require general funding to support their work. For smaller, grassroots charities, we take a slightly different approach. We work with community foundations that have a deep understanding of their local areas. They help us identify organisations that are doing important work at a local level, even if they are small or volunteer led.

We also look at macro-level data. We consider where there are the greatest levels of poverty, where there are risks to women and children, where there are challenges around education or health. That helps us direct our efforts to where the need is most acute.

So, it is a combination of evidence, local insight and a very clear focus on delivering impact and outcomes.

What types of organisations or initiatives do you typically support, and what qualities or outcomes are you looking for when making those decisions?

Over time, we realised that we needed to bring more structure to how we give. Saving lives is a very broad ambition, and we wanted to be more intentional about where and how we could make the greatest difference. We introduced a five-pillar framework that allows us to support organisations at different levels and in different ways.

At one end, we support small, grassroots organisations. These are often volunteer-led and deeply embedded within their communities. They may be small, but the work they do is incredibly important. We partner with community foundations to identify and support these organisations, because they have a depth of local knowledge that we do not. This forms the foundations of our first pillar, pillar one.

We also support project-based work, where we can see a clear link between the funding and the outcomes being delivered. This underpins our pillar two. These are often smaller organisations as well, but with defined projects and measurable impact.

Then there are larger, strategic partnerships, pillar three. This is where we can work at scale, often over a number of years, and deliver significant impact in terms of lives saved or improved.

Beyond this we have our pillar four, which focuses on thought leadership and government policy shaping. In some cases, the most effective way to create change is to influence how systems work, rather than focusing only on individual interventions.

Finally, there are projects that our trustees feel strongly about, creating our fifth pillar. These might be responses to immediate need, or initiatives that align closely with our values and where we feel we can make a difference.

Across all of this, the common thread is impact. We are always looking for evidence that the work being done will lead to meaningful change.

Is there a particular project or initiative that you feel best reflects the Foundation's impact and approach?

It is difficult to point to just one, because our work operates at different scales and in different contexts.

In some cases, that is large-scale international work. For example, our partnership with **EMERGENCY UK** is focused on delivering critical healthcare in some of the most challenging environments in the world. That includes supporting surgery, trauma care, maternity services and training medical professionals in areas where healthcare infrastructure is extremely limited. Through that work, we expect to save and significantly improve over 110,000 lives, which is equivalent to more than one life impacted every five minutes. This gives a real sense of what can be achieved through partnerships at scale.

At the same time, there is work much closer to home that is equally important. We have supported **IntoUniversity** in Leicester, which is a place that has a strong personal connection for me. It is one of the most deprived areas in the country, and many young people there would not traditionally see higher

education as an option. Supporting a centre that gives those young people access to resources, mentoring and aspiration can change the trajectory of their lives, and you can already see that reflected in outcomes that are well above local averages.

We have also supported clinical programmes, such as work with **Societi**, which focuses on improving the diagnosis and treatment of Kawasaki Disease in children. That is very evidence-led work and, in fact, the programme has contributed to 88 lives being saved and almost 3,000 lives significantly improved through earlier diagnosis and better treatment.

Mental health is another area that has become increasingly important. Through our support of initiatives like **Shout**, we have been part of enabling a text-based mental health service that allows people to reach out for help at any time. The demand for that kind of support is significant. In a single month alone, services like this are supporting tens of thousands of conversations, many of them involving people in acute distress, which highlights how important it is to provide accessible, immediate help.

Each of these examples reflects a different aspect of what we do, but they are all connected by the same principle. We are looking to support work that delivers real impact, whether that is at scale internationally or within individual communities in the UK.

Demand on charities continues to grow, often alongside funding pressures. How are you seeing this play out across the communities you support?

We have definitely seen changes over time, and the environment is becoming more challenging for many organisations. Costs are rising across the board. Employment costs, energy costs and other operational pressures are all having an impact. At the same time, some sources of funding are reducing, and competition for the funding that remains is ever increasing.

There is an interesting dynamic where, in some ways, there is more funding available overall, but accessing it is becoming more difficult. Larger organisations with dedicated fundraising teams are often better positioned to navigate that landscape. For smaller charities, it can be much more difficult.

That is why our support for grassroots organisations is so important. We provide funding that is often unrestricted, because we recognise that core costs are fundamental to delivering services effectively. Charities need people, they need infrastructure and they need stability.

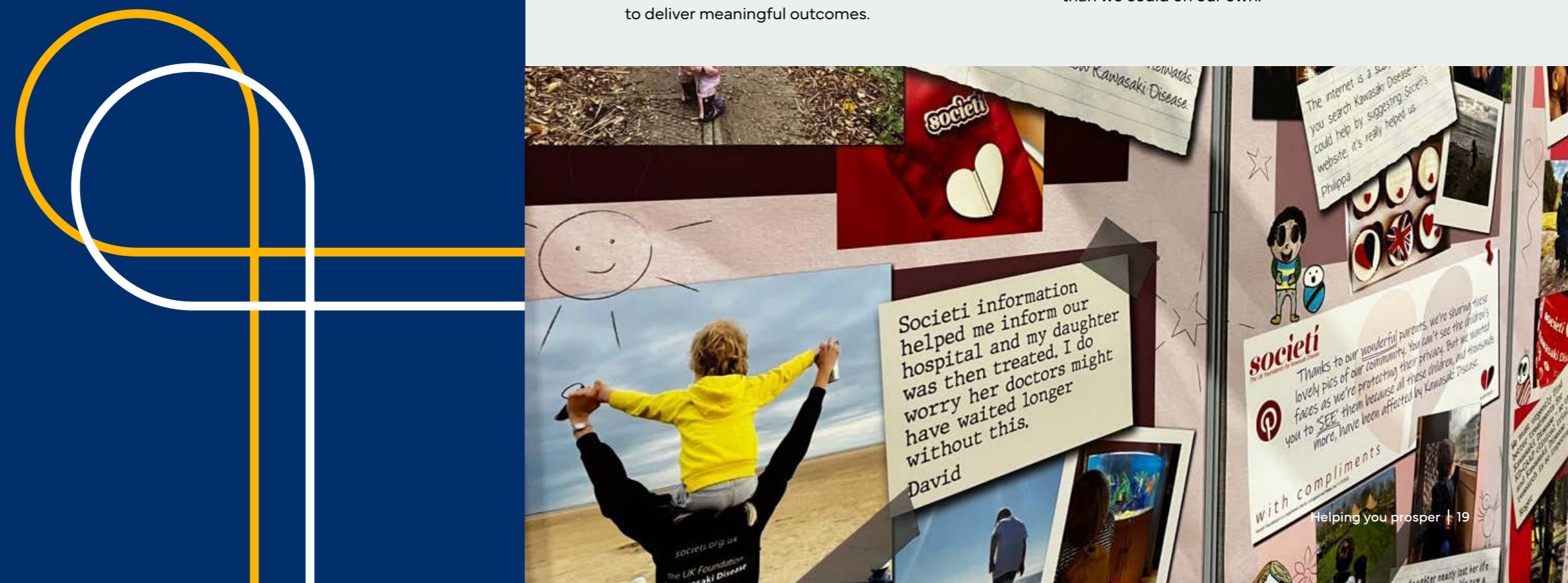
There can sometimes be a reluctance to fund core costs, but from our perspective, that is where impact begins. Without the right people and the right resources in place, it is very difficult for organisations to deliver meaningful outcomes.

To what extent do partnerships, whether with other charities, local organisations or supporters, shape and strengthen your ability to deliver impact?

Partnerships are absolutely central to what we do. When it comes to our more localised work, we rely heavily on community foundations. They have a deep understanding of their local areas and the organisations operating within them. Without those partnerships, it would be very difficult for us to identify and support the right organisations within those communities at the scale we want to. Those partnerships also help us direct our funding more effectively and with greater confidence. They bring insight, knowledge and a clear understanding of where the greatest need exists.

At a larger scale, partnerships allow us to work quickly and more effectively. When we work with established organisations, whether they are charities, non-governmental organisations or research bodies, we are able to tap into their expertise and their existing networks. That applies to policy work as well. By partnering with think tanks and research organisations, we are able to engage with complex issues and contribute to changes that can have a long-term impact.

In many ways, partnerships amplify what we are able to do. They allow us to reach further and achieve more than we could on our own.



As a grant-giving organisation, how do you balance being responsive and flexible with maintaining strong governance and oversight?

We have a clear strategy, and that provides a strong foundation for everything we do. At the same time, we are very values-led. Our values include integrity, passion, empathy and a commitment to being responsible and forward-thinking in how we operate. Those values are not just words. They are something we actively bring into our decision-making.

From a governance perspective, we are very structured. My background in pharmaceuticals means that I am used to operating in environments where processes, controls and accountability are critical. That has carried through into the Foundation. We have strong governance in place, and our trustees play an important role in overseeing our work. But it is not about giving and walking away.

We stay engaged with the organisations we support. We look at the outcomes that are being delivered, and we ask questions where needed. If something exceeds expectations, we want to understand why. If something falls short, we want to learn from that as well. We often say that we give and we learn. We give and we take insights. We give and we improve. That continuous learning is a key part of how we operate.

For those looking to establish or grow a charitable initiative, what advice or lessons would you share from your own experience?

I would say follow your passion. If you are going to establish something or commit to giving, it needs to be meaningful to you. That is what sustains it over time.

At the same time, do not become complacent. There is always more that can be done and more that can be improved. If you are passionate about a particular cause, stay close to it. Keep reassessing how you can make a greater impact.

We are living in a time where there is significant need. There are inequalities that still exist, whether that is in access to healthcare, education or basic resources. Philanthropy has an important role to play in addressing those challenges.

I would also say that it is important to do things properly. If you are giving, take the time to understand where your money is going. Encourage accountability and work with organisations that are committed to delivering impact.

Looking ahead, how do you see the Foundation evolving, and what are your longer-term ambitions for the communities and causes you support?

The immediate ambition is to reach our goal of saving and significantly improving one million lives. That is what we are focused on. But beyond that, the ambition will continue to grow. We will continue to look for opportunities to work with organisations that can deliver impact at scale and to expand the reach of what we do.

This is not something that has an end point. The need is ongoing, and our response to that will continue to evolve. We will continue to build on what we have learned, strengthen our partnerships and look for ways to increase our impact. Ultimately, it always comes back to the same principle. We want to save lives and improve lives, and we want to do that in a way that is meaningful, measurable and sustainable over the long term.



We are living in a time where there is significant need. There are inequalities that still exist, whether that is in access to healthcare, education or basic resources. Philanthropy has an important role to play in addressing those challenges.

Dr Nik Kotecha OBE DL
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The Randal Foundation

Making finance easier for charities

Charity leaders are under more pressure than ever. Trustees must demonstrate strong governance and oversight, while funders expect timely, transparent financial reporting and regulators demand ever higher standards of compliance. All of this is taking place against a backdrop of tight budgets, growing demand for services, and teams that are already stretched.

For many, the issue is not commitment or competence, but capacity. Finance teams are often lean, roles are wide ranging and recruiting senior financial leadership on a full time basis is not always affordable or appropriate. This is compounded by increasing employment costs and a competitive market for experienced finance professionals, making it harder for many charities to justify or sustain a fully resourced in-house finance function.

However, experience across the sector shows that the right financial structures and support can significantly reduce the operational burden on trustees and executives. By strengthening day-to-day financial management and improving the quality of information available, you may be better placed to focus more clearly on governance and charitable impact, rather than reacting to short term uncertainty.

Why charity finance remains challenging

Charity finance is inherently complex. Restricted and unrestricted funds, grant conditions, cashflow uncertainty and evolving SORP requirements all require careful management. At the same time, trustees are increasingly expected to use financial information not just to meet compliance requirements, but to inform strategy, manage risk and plan for the future.

Guidance from the Charity Commission is clear that while financial tasks can be delegated, trustees remain responsible for ensuring appropriate financial controls, high quality reporting and effective oversight. This places increasing pressure on organisations where internal finance capacity is limited.

Most charities can produce accurate statutory accounts, but challenges often arise when information is needed to look forward rather than back. Trustees commonly ask how resilient their cash position is under different funding scenarios, how long current reserves can sustain activity if income changes, and what the financial impact of growth, contraction or changes in service delivery might be.

When these questions cannot be answered clearly, board time can become absorbed by managing uncertainty rather than focusing on oversight and long-term priorities.

Accessing senior expertise without the full time cost

We are increasingly seeing charities explore flexible finance models to bridge the gap between operational capacity and strategic need. This typically happens when:

- day to day bookkeeping is covered, but management information lacks insight
- trustees want clearer forecasting, cashflow visibility and scenario analysis
- there is no in-house FD, or the role is too senior for a full time appointment
- finance teams spend the majority of their time processing rather than analysing data.

At this point, fractional or outsourced support can be particularly effective, providing access to senior finance expertise without the cost or commitment of a permanent hire. Established outsourcing providers can bring tried and tested processes and systems that can improve efficiency and the overall quality of financial information. Importantly, this support can flex over time, increasing during periods of change such as growth, restructuring or funding applications and scaling back when stability returns.

Sector bodies including CAF and NCVO continue to emphasise the importance of robust financial planning and organisational resilience. Charities with access to forward-looking financial insight are better equipped to manage uncertainty, respond quickly to external shocks and make informed strategic decisions at a time of rising demand and continued funding pressures.

What does outsourcing a finance function actually involve?

Outsourcing does not mean handing over responsibility. Trustees retain accountability, while day to day activity and technical work is supported by external specialists.

Depending on need, this can include:

- transactional processing such as bookkeeping, payroll and reconciliations
- preparation of management accounts and funder reports
- cashflow forecasting and scenario planning
- support with budgets, reserves policies and internal controls
- board and trustee reporting, tailored to governance needs
- providing senior financial leadership on a flexible basis, including strategic planning, trustee reporting, cashflow oversight and governance support.

Technology has been a key driver in making finance outsourcing more viable and effective for charities. Advances in secure cloud accounting systems and integrated software mean outsourced services can be delivered efficiently while the charity maintains transparency and control. Routine processing can be handled with minimal manual input, reducing cost and freeing management time to focus on interpretation, insight and strategic decision making rather than transaction processing.

How does it work in practice?

Organisations that adopt flexible finance models often report a shift away from backward looking reports towards clearer, more actionable insight. For many leadership teams, this means spending less time validating historic data and more time focusing on analysis, risk and informed decision support.

Underpinned by better use of technology and systems, this shift allows data to be captured and processed more efficiently and consistently, with management and trustee input focused on analysis and decision support rather than basic transaction processing.

For example, a charity may only need outsourced accounting support during a period of grant funded expansion, ensuring accurate and compliant reporting without the need for permanent recruitment. Another may be undergoing organisational change and require short term support strengthening controls, rebuilding budgets or introducing scenario modelling to support trustees during transition.

Importantly, there is no one size fits all solution. Effective outsourced support begins with understanding an organisation's specific challenges and providing the right level of help at the right time as needs evolve.

How we have helped our clients prosper with finance support:

- **Outsourced finance function:** we supported a charity facing significant resourcing pressures where a small internal team was struggling to maintain consistency in reporting alongside day to day demands. Through outsourced finance support, the charity gained access to regular management reporting, improved cashflow visibility and practical strategic input. This gave trustees clearer oversight, reduced operational pressure on the charity's team and helped stabilise the finance function during a challenging period.
- **Fractional FD support:** weaknesses were identified in a charity's finance function which were compounded by the departure of the entire finance team around the time of the audit. Urgent financial support was needed to stabilise the position and achieve compliance with regulatory deadlines. Keeping trustees informed throughout, we provided support during the induction of a new finance team, helped address prior-year issues and assisted with the timely preparation of compliant statutory accounts.
- **Financial monitoring:** we acted as the independent financial monitoring partner for a national not-for-profit sporting body during the 2025/26 period, providing early visibility of financial risk and supporting stronger governance across member organisations. Working with the central body, participating organisations and an independent panel, we delivered a proportionate monitoring framework covering submissions, analysis and periodic reporting. This approach supported earlier intervention, improved financial consistency and clearer board level oversight.

A partnership approach

What charities consistently tell us is that they value finance support that understands the sector and the realities within which they operate. Guidance from the Charity Commission and professional bodies reinforces the importance of proportionate controls and accessible financial information, rather than unnecessary complexity.

Ultimately, good financial management is about clarity. When finance processes, reporting and expertise are aligned to the needs of trustees and executives, organisations spend less time worrying about the numbers and more time focused on delivering their mission.

If it would be helpful to explore whether outsourced or fractional finance support could benefit your charity, our specialist team would be happy to have an initial, no-obligation conversation about your specific challenges and priorities.



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Questions trustees should ask before outsourcing finance

Before outsourcing any part of the finance function, trustees should take time to clarify how this will support their duties and strengthen oversight. Charity Commission guidance makes clear that while tasks can be delegated, trustees remain accountable for their charity's finances and internal controls. Helpful questions include:

What problem are we trying to solve?

Is the priority improving day to day processing, strengthening controls, gaining clearer management information, or accessing strategic financial insight?

How will trustees retain appropriate oversight?

Ensure you will be receiving timely, relevant financial reports that allow you to monitor performance, challenge assumptions and manage risk.

Are internal financial controls clearly defined and maintained?

How will core controls such as authorisation, segregation of duties and regular reconciliations operate in practice, and how will their effectiveness be reviewed?

How does outsourced support align with our size and complexity?

Charity Commission guidance stresses that controls should be proportionate. Does the proposed arrangement reflect your level of activity, risk and resources?

How will continuity and resilience be improved?

Does outsourcing reduce reliance on single individuals and provide cover during staff absence, growth or periods of change?

How will data security and confidentiality be managed?

Are systems and processes in place to protect sensitive financial information and meet data protection requirements?

Considering these questions helps ensure outsourcing is used as a governance strengthening tool, rather than simply an operational fix.

For more information, please refer to the [GOV.UK Trustee Finance Toolkit](#)

Chasing shadows – charity governance in the age of AI

According to the Charity Digital Skills Report 2025, approximately 76% of charities now use AI in some form, up from 61% in 2024. However, Charity Excellence Framework's 2024 AI Benchmarking Survey paints a sobering picture: on average, half of charities are extremely unprepared in relation to AI readiness, with only 1 in 20 being extremely well prepared. More than half are extremely unprepared to manage AI risk (58%). Near real-time tracking introduced in January 2025 showed that only 1 of 13 AI readiness metrics were green. Even a year later, charities appear no more **ready to adopt AI**.

In this guest article, Ellis Pugh, specialist charity solicitor at leading law firm Shakespeare Martineau, explores how AI is reshaping charity operations and governance, the legal responsibilities trustees cannot delegate away, and how boards can respond with confidence rather than caution alone.

Under charity law, trustees cannot avoid responsibility by claiming they were unaware of an issue. Trustees remain collectively and legally responsible for governance and compliance even when they delegate day-to-day management to executives. It is therefore worth noting that trustees may, in some circumstances, face personal liability for decisions made without adequate understanding.

Trustees are therefore in a uniquely difficult position: weighing the promise of AI against its risks, the fear of being left behind, and the realisation that the technology may already be in use by staff without their knowledge (known as 'shadow AI'). Into that gap, a plethora of influencers, evangelists and doom-mongers are either promising the world or predicting the end. This article sets out how AI is being used, how it is reshaping the sector, what the law requires, and what trustees can actually do about it.

How AI is used by charities

The applications of AI in charities have expanded and diversified as rapidly as their adoption. Common uses range from:

- note-taking (the Fireflies app, for example, transcribes and also syncs with diaries to raise action points and progress outcomes from meetings)
- document drafting (policies, grant applications and donor communications)

- document interpretation (summarising new regulations and guidance)
- creating increasingly intuitive chatbots for web support.

One anecdotal example is a guide produced using AI for parents supporting their child through the criminal justice system. Whilst not comprehensive, it was a useful starting point and freely available.

All of these can generate significant efficiencies, helping charities produce more with less in a challenging funding landscape.

The shadow AI problem

However, efficiency gains mean little if the tools creating them are operating in a governance vacuum. The Charity Excellence survey's finding that 60% of charities are extremely unprepared in their policies and procedures for AI suggests that, for many, that is precisely the situation.

The Charity Commission's annual survey of trustees, published in August 2024, found that just 3% of trustees said their charity had used AI in its operations – rising to 8% for charities with incomes over £1 million. If 76% of charities are using AI but only 3% of trustees are aware of it, this striking discrepancy demands explanation. One likely candidate is what has become known as 'shadow AI'.

Shadow AI – the use of AI tools by staff without the knowledge or approval of trustees – is an emerging governance consideration that deserves greater attention. Tellingly, many attendees at AI training events are junior staff and volunteers rather than trustees or chief executives – the very people who bear legal responsibility. Feedback from training often refer to trustees and CEOs being 'not engaged' or 'anti AI'. In the meantime, the technology was already humming away beneath them.

Influence of AI on the wider charity sector

The move to AI has also seen a shift in the wider third sector. One such development has resulted from AI increasingly being used to draft charity registration applications.

The Charity Commission announced in January that it received 11,162 applications in 2025, its highest number on record. Application numbers in early 2026 remain high, suggesting that figure could be surpassed again.

The problem is that AI-generated applications often do not satisfy the legal tests applied by the Commission. Its head of registrations has noted that "AI-generated content is often too generic and fails to reflect the specific activities or aims of the organisation applying to become a registered charity, leading to a higher rate of rejections." In practice, the success rate for applications has fallen from around 53–54% to nearer 30%. AI is rather better at sounding like a charity than actually being one.

The sheer volume of AI-assisted applications has also caused a significant backlog. The Charity Commission currently advises a 23-week turnaround for new applications. Five months is a long time for prospective trustees to wait, and it is unsurprising that registration numbers for alternative not-for-profit structures, such as community interest companies (CICs), are rising, with a 12% increase in applications in 2024–2025.

Increased competition from CICs and other not-for-profit structures is therefore at least partly attributable to the knock-on effects of AI use.

How the risks from AI impact charity governance

Given these effects, charities need to approach AI with clarity and purpose. This is easier said than done when the governance landscape crosses several regulators, the technology evolves weekly, and boards are unsure whether their staff are using it at all!

Charity Commission

The Charity Commission has not produced specific guidance or regulatory standards on AI. A 2024 blog post stated that its approach would be for charities to consider how AI fits within existing governance frameworks. Accordingly, it is necessary to consider the six trustee duties in the Commission's guidance CC3.

The most relevant are:

- ensuring your charity is carrying out its purposes for the public benefit
- complying with your charity's governing document and the law
- acting with reasonable care and skill
- managing your charity's resources responsibly.

The duty to ensure the charity carries out its purposes applies whenever a charity decides to use AI. The key question is: "Why are we using AI for this and does it further our charitable purposes?" If trustees cannot answer this, it should not be used. Spending funds on the wrong purposes is a serious matter and may require personal reimbursement.

There is particular concern for charities established for environmental purposes. AI-related infrastructure consumes nearly six times more water than Denmark (a country of six million people), whilst a single ChatGPT request uses ten times the electricity of a Google search, to say nothing of the hazardous substances and natural resources required to produce data centres and hardware. Charities with environmental objects should carefully consider whether the cost of AI use is outweighed by the benefits.

The duty to comply with the charity's governing document and the law is engaged wherever AI interacts with data protection obligations. This is where shadow AI becomes especially dangerous. If staff are feeding donor or beneficiary personal data into unapproved AI tools, there are no data processing agreements, no DPIAs, and potentially no lawful basis for the processing at all. The ICO has stated that AI "is a priority area for the ICO due to its potential to pose a high risk to individuals and their rights and freedoms." Its enforcement powers include fines of up to £17.5 million or 4% of global turnover, and it has signed a memorandum of understanding with the Charity Commission enabling further enforcement. Under the UK GDPR (Data Protection Act 2018), charities must ensure lawful basis, fairness, transparency, purpose limitation, data minimisation, and accountability for all AI processing.

There are also intellectual property risks associated with AI-generated materials. Questions around ownership, permissible use and potential infringement all arise in this area. Charities should seek expert advice before committing to action.

The duty to act with reasonable care and skill is engaged when AI is used to produce or interpret documents. Charities should be aware of the risk of bias. The Equality Act 2010 prohibits both direct and indirect discrimination based on protected characteristics and AI systems can perpetuate, amplify or create new forms of both.

Inaccuracies can lead to unfair service allocation, exclusion or underrepresentation of groups. AI is also known to 'hallucinate' (generating data that does not exist). Trustees must recognise the limits of their knowledge and take appropriate advice, but crucially, cannot relinquish responsibility for understanding the issues or making decisions.

Inaccuracies, bias, and hallucinations all stem from a broader challenge: the mechanisms by which AI produces outputs are not visible to the user. This 'black box' converts inputs to outcomes without easily verifiable logic. It is difficult enough to develop governance structures around technology one understands; doing so around technology one does not, is harder still.

The duty to manage resources responsibly extends beyond simple cost-effectiveness. It requires charities to actively manage risk, including reputational risk and few things damage a charity's reputation like an AI-generated blunder involving beneficiary data or discriminatory outcomes. Recognising the risks and taking steps to minimise them from the outset will help satisfy this duty.

Charity Governance Code

Alongside the Commission's guidance, the 2025 Charity Governance Code - a voluntary, sector-owned framework operating on an 'apply or explain' basis recommends "a policy for the use of technology and AI tools" as evidence of good governance under its Principle 6 (Managing Resources and Risks). Trustees should treat AI as part of mainstream governance, not as a niche IT matter to be left to the operations team.

Charity Digital Code of Practice

More directly applicable is the Charity Digital Code of Practice, which sets out further principles for managing digital resources effectively. As with the other duties and codes, the digital code emphasises trustee leadership, a culture of responsibility, adequate skills for leaders and staff, and proper risk management.

Fundraising Regulator

Finally, where AI is used in fundraising, charities should also comply with the Fundraising Code. The Fundraising Regulator published guidance on AI in fundraising in December 2025 which emphasises trustee accountability; transparency and consistency in AI use; sufficient human oversight (with no decisions made in the absence of human input); responsiveness to emerging concerns; and ongoing compliance with the wider regulatory landscape.

Practical steps trustees should take

It is clear from the above that trustees must understand AI if they are to oversee and manage its use effectively. The first and most important task is establishing what is already happening in the charity. Conducting an AI use inventory, mapping what tools are in use, by whom, and for what purpose is an essential and often eye-opening exercise. The answer will often be 'far more than the board realised'.

Training for trustees and senior management on AI and its associated risks should follow as a priority, so that decisions are led by and flow from the charity's leadership rather than from ad hoc adoption by staff.

The starting point then should be an AI policy, which addresses:

- where AI can/is used by the charity
- how this furthers the charity's purposes
- how risks are monitored and managed
- how human oversight of AI will be put in place
- how transparency across the charity and with stakeholders will be handled.

AI should also be incorporated into risk assessments (ideally as a separate section of the risk matrix) and considered at trustee meetings. Shadow AI should be treated as a standing risk: codes of conduct for staff, volunteers and trustees should expressly prohibit unauthorised AI use, reinforced by clear training and disciplinary procedures. Emerging issues should be raised promptly, and whistleblowing and reporting procedures updated so that proactive steps can be taken when things go wrong. Trustees should also be aware that AI-related failures, including significant data breaches, discriminatory outcomes causing significant harm and cyber incidents, may constitute serious incidents which must be reported to the Charity Commission within 15 working days (or immediately for safeguarding concerns). Failure to report can itself be treated as mismanagement.

Existing data protection policies and procedures should be reviewed and updated. Individual data protection impact assessments should be carried out when using AI and especially when this use is novel.

Because of the risk of data being hacked or leaked, cybersecurity risks should also be considered and updated where personal data is processed.

Putting these measures in place would go some way to demonstrating good charity governance. The UK does not yet have a single 'AI Act'. A Private Members' AI (Regulation) Bill was re-introduced in March 2025, proposing to create an AI Authority, but it is not yet enacted. UK GDPR, the Equality Act 2010, consumer and product safety legislation, and the Online Safety Act 2023 already govern AI use, so trustees who wait for specific AI legislation before acting are likely to find they have waited too long. Much like the technologies themselves, good governance never stands still and the work is never done.



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What's changing for charity tax compliance?

The 2026/27 tax year introduces significant changes to the charity tax landscape, primarily driven by the UK government's ongoing push to tighten compliance, close loopholes and protect the integrity of charitable tax reliefs. Most reforms take effect from 6 April 2026, and although the majority of well governed charities are unlikely to face major disruption, trustees and managers will need to refresh their compliance processes to meet the new standards.

A central theme running through the Finance Bill 2026 reforms is a strengthened compliance regime, targeting a small minority of charities and Community Amateur Sports Clubs (CASCs) that persistently fail to meet tax obligations while still claiming reliefs such as Gift Aid. HMRC is gaining enhanced enforcement powers, including the ability to sanction trustees and charity managers for non compliance. This update reflects the government's commitment to narrowing the tax gap and challenging abusive arrangements that misuse charitable structures to facilitate tax advantages.

Tighter rules on tainted donations

One of the most notable reforms involves the update to the tainted donation rules. Historically, HMRC assessed whether a donation was tainted based primarily on the donor's motivation. From 6 April 2026, the rules shift to an outcome based test, broadening the criteria and replacing the requirement to identify a 'financial advantage' with the broader concept of 'financial assistance'. This means that if any arrangement connected to a donation results in financial benefit to the donor or a related party, tax relief can be denied - regardless of the initial intent of the donation. This change is intended to help prevent arrangements which may give rise to unintended tax outcomes and charities will need heightened vigilance around donor linked transactions and Gift Aid claims going forward.

Approved charitable investments: a consistent standard

Investment rules are also being tightened. Currently, only one of the twelve categories of HMRC recognised charitable investments explicitly requires that investments be made solely for the benefit of the charity, and not for tax avoidance. From April 2026, all twelve categories as outlined in s.511 and s.514 CTA 2010 are subject to this requirement. This reform simplifies the system while imposing a uniform standard: every charitable investment

must demonstrably further the charity's interests and be in no way for the purpose of a tax avoidance arrangement. Organisations using sophisticated investment strategies will need to ensure their governance processes clearly document and demonstrate their charitable purpose, and that their investment structure does not merely exist for tax avoidance purposes.

Legacy income brought into attributable income rules

Another key change is the inclusion of legacies within the definition of attributable income. Currently, most charitable income - including residuary gifts - falls within this definition, but specific legacy gifts do not. From 6 April 2026, legacy income must be applied solely to charitable purposes; otherwise, it will be subject to a tax charge. Although the government has confirmed that charities will remain free to hold funds for future use and will not face deadlines for spending legacy income, this reform increases the importance of maintaining accurate records demonstrating that expenditure aligns with charitable objectives.

A more demanding compliance environment

Collectively, these measures contribute to a more rigorous compliance environment. It is important to ensure that your charity's governance procedures - especially relating to Gift Aid, investment decisions, legacy utilisation and trustee oversight - are robust and well documented.

While the new rules primarily target catching out a small minority, the uplift in HMRC scrutiny means all charities must be prepared to evidence their compliance if an HMRC enquiry were to be opened.



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VAT compliance: ten essential checks for trustees and finance managers

VAT is one of the more complex areas of compliance for charities, and one that increasingly attracts HMRC scrutiny. Trustees and finance managers have a shared responsibility to ensure that VAT risks are understood and managed effectively on an ongoing basis. From VAT registration thresholds to income classification and record keeping, the consequences of getting it wrong can be significant, both financially and reputationally, for charities and their trustees.

We have outlined ten of the key VAT checks that should form part of your charity's regular financial governance and risk review process.

1. VAT registration status

Monitoring taxable turnover is fundamental. A charity must register for VAT if the taxable turnover exceeds or is expected to exceed the VAT registration threshold (currently £90,000). HMRC is paying close attention to organisations with taxable trading income near the threshold. A failure to register on time, or to monitor turnover accurately, can result in avoidable penalties and retrospective liabilities.

2. Business vs non-business activities

Understanding the distinction between business (taxable) and non-business (outside the scope) activities is critical. Grant income is a particular area of risk and HMRC now apply a strict two-stage test to determine whether income is a payment for a supply or a genuine grant. For example, funding that requires the charity to deliver specific services, reports or benefits to the funder may be treated as consideration for a taxable supply, rather than non-business grant income. Trustees should ensure that funding agreements are reviewed carefully so that the correct VAT treatment is applied and the position is fully documented.

3. Input VAT recovery and partial exemption

Charities can only recover VAT on costs relating to taxable activities. Where business activities are mixed (ie. both taxable and exempt supplies made), a partial exemption method – in some cases, approved by HMRC – must be used. Where charities have both business and non-business activities, additional steps are required to determine the correct level of VAT recovery. We would advise reviewing VAT recovery methods regularly to ensure they are up to date and reflect your charity's current activities.

Case study: the value of reviewing VAT recovery methods

We worked with a charity whose VAT recovery arrangements had not been reviewed for several years. A newly appointed finance director wanted assurance that the charity's VAT accounting remained fit for purpose and fairly reflected how income was being used.

Our review showed that the VAT recovery method in place was outdated and no longer aligned with the charity's activities. Some income had also been incorrectly classified as grant income, which had led to VAT being under recovered year on year.

We worked with the charity to develop a more equitable recovery method and raised the issue with HMRC's specialist charity team. The outcome was significant. The charity received a £600k refund, representing VAT under recovered over the previous four years. Just as importantly, a new recovery method was agreed for the future, giving trustees confidence that VAT was now aligned with how the charity operated and reducing risk going forward.

4. VAT treatment of income streams

Income from sources such as ticket sales, sponsorships, retail, catering, room hire and property rental must be correctly classified for VAT purposes. Recent Upper Tribunal case law, followed by updated HMRC guidance in 2025, has clarified the conditions under which fundraising events qualify for VAT exemption, particularly where events have multiple purposes. Trustees should ensure that events are promoted and documented as genuine fundraising activities, as misclassification of income can lead to assessments, interest and penalties.

5. Use of VAT reliefs

Charities benefit from a range of VAT reliefs, including zero-rating for advertising, medical equipment and certain construction services. However, eligibility conditions are strict and must be evidenced. Reliefs for fundraising events require clear proof that fundraising is the primary purpose as evidenced by how they are publicised and promoted. It is important you ensure that VAT claims are supported by documentation and reviewed periodically.

Case study: applying VAT reliefs to major procurement

A charity client was planning a £3m upgrade to its computer equipment and asked whether there was any scope to mitigate the VAT cost. The organisation was aware that VAT reliefs may apply, but also understood that HMRC have increasingly challenged their use in recent years.

We reviewed the business case and draft procurement documentation to fully understand the purpose of the equipment and how it would be used. On that basis, we considered there was a strong case for VAT relief to apply. Given HMRC's litigation history in this area, we prepared a detailed submission setting out the charity's position and addressed follow up questions raised by HMRC.

HMRC ultimately agreed that the relief applied, resulting in a VAT saving of £500k. For trustees, the key benefit was not just the saving, but the comfort that the VAT position had been properly tested and evidenced before the expenditure was committed.

If you operate a trading subsidiary, the entity is subject to normal VAT rules and must be registered for VAT if the taxable turnover exceeds or is expected to exceed the VAT registration threshold. Intercompany transactions must also be properly invoiced and documented, and HMRC are increasingly scrutinising such arrangements for VAT leakage. Trustees should ensure formal intercompany agreements are in place, that the implications of any potential VAT grouping options are considered and any VAT reporting obligations are clearly understood and being met.

7. Imports, exports and international supplies

Charities involved in importing, exporting and/or international supplies must hold the correct evidence to support the VAT treatment applied. For example, the proper evidence of removal where exports from the UK are zero-rated, evidence to support the ownership position for goods which are imported where postponed VAT accounting is used, and details of services received from non-UK suppliers where the reverse charge procedure is applied. If you are involved in such activities, it is important to ensure you have the correct procedures and documentation in place and that the VAT accounting position (as well as any Customs Duty implications) are reviewed regularly.



8. Property transactions

VAT on property sales, lettings and developments is a complex area. We would advise seeking external advice at an early stage to ensure that the associated VAT implications are fully understood, any options to tax are correctly exercised and that obligations under the Capital Goods Scheme are properly monitored. Missing documentation or failing to review and understand the impact of property transactions on your VAT positions before they happen can lead to costly irreversible VAT errors.

Case study: managing VAT risk on a major development project

A charity client was commissioning a new building that would be used partly for its charitable purposes and partly by third party tenants. The management team and trustees were concerned about the VAT implications of the project, both for budgeting purposes and to understand whether any mitigation was possible.

We worked with the project team at an early stage to explain the VAT risks and options available. We were then appointed to develop and implement a VAT risk and mitigation strategy, which was presented to the project board and key stakeholders. This included detailed engagement and negotiations with HMRC.

As a result, VAT costs on the project were mitigated by 95%, delivering a £9m saving. The charity was able to evidence reasonable care, trustees and funders were reassured that VAT risks were properly managed, and as much certainty as possible was secured from HMRC in an area where reviews are often retrospective.

9. VAT record keeping

HMRC expects charities to retain complete and accurate VAT accounting records - including VAT invoices, contracts and other supporting documents such as option to tax correspondence and bank statements, etc. for at least six years. Trustees and finance teams should ensure that VAT record keeping policies are robust and that audit trails are maintained for all VAT adjustments and claims.

10. HMRC compliance readiness and disclosure

Periodic VAT health checks and internal audits will help you stay ahead of VAT changes and VAT compliance risks. Disclosing known VAT accounting errors to HMRC can reduce penalties and interest. Trustees and finance directors should encourage a proactive approach to VAT compliance and ensure that any correspondence with suppliers, customers and HMRC is properly managed and documented.

Need help?

These examples highlight a common theme: VAT risks for charities are often not obvious, but with early review, clear documentation and informed decision making, they can be managed effectively and, in some cases, significantly reduced.

Up-to-date VAT policies and regular staff training are essential to prevent misinterpretation, VAT errors and to ensure consistency across departments. With VAT rules and guidance constantly evolving, a proactive approach to VAT risk management is key.

If you would like support discussing and reviewing your VAT position, updating your policies or arranging a VAT health check, please get in touch with our **specialist VAT team**.



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Key VAT questions

VAT does not need to be a technical deep dive for trustees and finance directors, but asking the right questions at the right time can significantly reduce risk and support better decision making. Useful questions include:

When was our VAT position last reviewed?

Do our VAT recovery methods and income classifications still reflect how the charity operates today?

What are the biggest VAT risk areas for our organisation?

Are there particular activities, funding streams or projects where VAT is material or complex?

How is VAT considered when we make significant changes?

Is VAT reviewed as part of, and before, major decisions such as capital projects, procurement, restructures or new income streams?

Do we have clear documentation to evidence our VAT positions?

If HMRC were to review our VAT treatment, could we demonstrate reasonable care and explain our approach?

Who is responsible for VAT governance and escalation?

Is there clarity over when VAT issues are escalated to trustees or the finance committee, and when external advice is sought?

Are we confident we are not missing VAT recovery opportunities?

Could outdated assumptions be leading to under recovery of VAT or unnecessary costs?

Combating charity fraud and cyber threats

Charities are built on trust: the belief that donations will be used ethically and effectively to support those in need. But what happens when trust is quietly betrayed? Charity fraud is rarely loud or obvious. It can develop gradually, often masked by good intentions and overlooked processes, only revealing itself when the damage is done.

Unmasking charity fraud

Recent government and regulator data highlights the scale of fraud and cyber risk facing the charity sector.

- The Cyber Security Breaches Survey 2025, alongside Charity Commission casework, shows that around three in ten UK charities experienced a cyber security breach or attack in the past year - equivalent to approximately 61,000 organisations.
- Phishing remains the most prevalent form of cyber enabled fraud affecting charities, often used to facilitate payment diversion and impersonation scams.
- Alongside external threats, Charity Commission casework continues to highlight internal fraud involving employees, volunteers or trustees as a significant and recurring risk area.

Unlike corporate scandals that make headlines overnight, charity fraud often remains hidden for months, even years. Sometimes it stems from poor oversight, weak controls or misplaced trust in individuals who exploit the system. Fraud in the charity sector is rarely announced, but instead slips in through gaps in governance and process.

For charity finance teams, the pressure is significant. They are the gatekeepers of accountability, often working with limited resources and under the assumption that everyone is working toward a shared purpose. But fraud can be subtle, for example, a misused expense account, a falsified invoice or a donation diverted for personal gain. The risk is further complicated where volunteers are involved in financial activities, adding layers of complexity to internal controls and oversight.

Many finance professionals describe a sense of betrayal when fraud is uncovered. Comments such as “You do not expect it in a charity” or “We are here to help people - when someone abuses that, it is not just financial, it is emotional” are common.

When charity fraud comes to light, the impact on reputation can be immediate and severe. Donors feel deceived and volunteers disheartened.

Public expectations around transparency and accountability are rightly high, yet donations are often made on emotion and trust rather than detailed understanding of governance structures. When that trust is broken, it can lead to long-term damage in donor confidence and reduced giving.

Fraud may be quiet, but its consequences are loud.

Cyber risks in the charity sector

Cyber fraud affecting charities is increasingly sophisticated. Unlike traditional fraud, which may involve misappropriation of funds or false accounting, cybercrime can infiltrate systems without immediate detection. Hackers may impersonate executives, redirect donations or steal sensitive data while leaving minimal trace.

Several factors make charities particularly vulnerable to cyber fraud:

- **limited IT budgets**, with resources prioritised for frontline services
- **high employee turnover and reliance on volunteers**, leading to inconsistent training and gaps in digital awareness
- **public-facing operations**, such as online donation platforms and email campaigns which are prime targets for phishing and spoofing
- **sensitive data holdings**, including personal information about beneficiaries, donors and team members, making charities attractive to cybercriminals.

How to prevent cybercrime

Strengthen digital defences and develop a cyber incident response plan:

- use strong, unique passwords and enable multi-factor authentication (MFA) across all systems
- keep software and systems updated and back-up data regularly, storing back-ups offline or in secure cloud environments
- install reputable antivirus and firewall protection
- know what to do if a breach occurs, who to contact, how to contain the damage and how to communicate with stakeholders
- report incidents to relevant authorities, such as the internal Information Commissioner’s Office (ICO) or Charity Commission.

Train employees and volunteers:

- provide regular cybersecurity awareness training
- teach teams to spot phishing emails, suspicious links and social engineering tactics
- encourage a culture of reporting, even where mistakes have occurred.

Secure internal financial processes:

- verify payment requests and bank detail changes through a second channel (eg. phone call)
- limit access to financial systems to authorised personnel only
- conduct regular reviews of financial activity.

Protect donor and beneficiary data:

- store personal data securely and encrypt sensitive information
- limit access to data based on role and necessity
- be transparent with donors about how their data is used and protected.

Trustees and auditors to the rescue

As fraud and cyber threats continue to haunt the charity sector, trustees and external auditors play a critical role in protecting trust, resilience and accountability. With phishing, payment fraud and AI-driven scams on the rise, robust governance has never been more important.

Trustees are more than strategic advisers; they are guardians of governance. Their role includes:

- ensuring regular risk assessments are conducted and updated to reflect emerging threats
- championing cybersecurity policies, including mandatory training, supplier vetting and secure data handling practices
- establishing or updating whistleblowing procedures to encourage early reporting of concerns
- monitoring compliance with regulatory requirements, including reporting serious incidents to the Charity Commission
- reviewing and involving in IT infrastructure and data protection measures, especially where sensitive beneficiary or donor data is involved
- encouraging a culture of transparency and accountability, even among volunteers and part time team members.



Auditors also provide independent challenge and assurance by:

- reviewing financial controls to detect anomalies, signs of fraud or weak segregation of duties
- assessing cyber risk exposure, particularly in digital payment systems, donor platforms and cloud-based accounting tools
- evaluating fraud prevention mechanisms, including expense approval processes and invoice verification
- testing IT general controls, such as access rights, password policies and system management
- advising on best practices for financial reporting and risk management
- communicating findings clearly to trustees, enabling informed decision-making and timely corrective action.

Auditors are increasingly expected to understand cyber risks as well as financial ones and advise charities on how to strengthen their defences.

Fraud and cybercrime present growing risks, but with effective governance, informed trustees and rigorous audit oversight, charities can protect their mission and maintain public trust. In a world where threats lurk in inboxes and spreadsheets, oversight is the strongest spell against deception.



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Audit or independent examination: making the right choice for your charity

As Trustees of small charities continue to balance the demands of good governance with growing pressure on resources, the decision to opt for an audit over an independent examination becomes increasingly significant.

A changing landscape

From 1 October 2026, charity audit thresholds will change. A charity must have an audit if:

- its income exceeds £1.5m, or
- its gross assets, including Right-of-Use leases, exceed £5m and its income is over £500k.

The independent examination income threshold will increase to £40k. Once income exceeds £500k, this examination must be carried out by a professionally qualified examiner.

An independent examination is a limited-assurance review of the accounts, ensuring:

- consistency with underlying records
- compliance with the Charities Act, SORP and Companies Act, where applicable.

Why some charities still opt for an audit

Despite falling below the statutory audit threshold, Trustees may still opt for an audit. In some cases, this is required by the charity's governing documents but beyond this, an audit offers beneficial additional scrutiny and assurance that exceeds that of an independent examination.

An audit is an in-depth review of the charity's annual financial statements by an independent, qualified auditor. It provides reasonable assurance that the accounts represent a true and fair view of the charity's financial position and performance, ensuring compliance with accounting standards and highlighting any significant weaknesses in the charity's financial systems.

Audited accounts may enhance the credibility of the financial statements, reassuring potential stakeholders about the charity's financial governance. This may afford higher confidence to potential funders, resulting in better access to grants and more success with funding applications. Indeed, some funders stipulate that the accounts must be audited.

The detection and prevention of fraud is at the forefront of the minds of most charity governors, and audits can help by flagging risks of fraud. Whilst audits are not designed to detect fraud, they can uncover unusual transactions and weaknesses in financial controls. The audit itself can act as a deterrent to fraud.

The introduction of the new SORP is a reminder of the complex and changing nature of financial regulatory requirements. As Trustees balance regulation, financial sustainability and the organisation's charitable objectives, an audit provides comfort that financial reporting is compliant, that funds are being used appropriately and that they are meeting their legal duties.

Beyond assurance, a well run audit can also reveal practical improvements that support efficiency and long-term planning. Your auditor can also provide feedback on the annual report, explaining how the narrative aligns with the numbers, and offering insights to support governance decisions, including those on reserves and going concern.

Reconsidering your level of external scrutiny

As the audit thresholds are changing, now is the time to reconsider your level of external scrutiny and how opting for an audit may strengthen confidence for all stakeholders as to the reliability and credibility of the charity's financial reporting.



For many trustees, audit is less about compliance – and more about confidence.

Illustrative examples

Where assurance beyond the minimum makes sense

In this example, a charity with income of £750k had historically relied on an independent examination. While this continued to meet statutory requirements, the charity was planning to apply for several large, multi-year grants and had recently taken on long-term property leases.

Trustees decided to move to a voluntary audit to provide greater assurance over financial controls, lease accounting and reserves reporting. During the audit, a number of control weaknesses were identified and addressed, strengthening financial oversight and improving the clarity of the trustees' annual report.

The charity now views the audit as a governance tool rather than simply a compliance exercise and believes it has contributed to increased confidence among funders and other stakeholders.

When an independent examination remains appropriate

A charity with income of £950k operates a small number of well established services funded through recurring grants and donations. The charity has no subsidiaries, no long term borrowing and limited contractual complexity.

Financial oversight is supported by an experienced finance manager and a trustee board with regular review of management information. In this scenario, an independent examination continues to provide proportionate external scrutiny, meets statutory requirements and offers appropriate assurance without the additional cost and disruption of a full audit.



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Audit readiness checklist for charities

Being well prepared before an audit begins can help reduce disruption, delays and unnecessary cost. These practical points outline what good preparation looks like where a charity chooses audit.

Before the audit begins, ensure you have:

- ✓ Up to date, reconciled management accounts and year end financial statements
- ✓ A reconciled trial balance with clear supporting schedules
- ✓ Bank statements and full bank reconciliations for the period
- ✓ Clearly categorised income and expenditure, including appropriate treatment of restricted and unrestricted funds
- ✓ Details of grant income, funding agreements and performance conditions
- ✓ VAT returns, tax filings and supporting calculations (where applicable)
- ✓ A complete fixed asset register, including Right of Use lease assets
- ✓ Payroll records, pension contributions and HMRC reconciliations
- ✓ Loan agreements, leases and any covenant information.

Supporting those who serve others

UHY in conversation with the Blue Light Card Foundation

The Blue Light Card Foundation supports the mental health and wellbeing of the UK's emergency services community, providing long-term support for those who dedicate their lives to serving others and playing a vital role in connecting funding, partnerships and expertise with programmes that deliver lasting impact. The Foundation's strong emphasis on collaboration allows it to act as a bridge between socially conscious businesses and high-impact initiatives, helping to translate corporate social responsibility commitments into tangible and measurable outcomes.

Under the leadership of Chief Executive Officer Emma Woods-Bolger, and with the dedication and support of the Foundation's teams, it has expanded its reach significantly, supporting more than 50 programmes and benefiting over 270,000 people to date. We were delighted to sit down with Emma to discuss her journey to the Foundation, the challenges facing the emergency services community and how collaboration between charities and businesses can deliver lasting change for those who serve our communities.



Emma Woods-Bolger
Chief Executive Officer
Blue Light Card Foundation

Can you tell us a bit about your background and what led you to the Blue Light Card Foundation and what your role today involves?

My background has always centred on social impact, partnerships and building initiatives that connect socially conscious businesses with causes where they can make a meaningful difference. Throughout my career, I've been particularly focused on creating structures that allow organisations to move beyond intention and into action, ensuring that support is not only well-meaning, but also effective and sustainable.

Alongside my professional experience, this work is also personal for me. I have close family connections across the emergency services community, including the NHS and the Armed Forces, so I've seen first-hand both the rewards and the pressures that come with service roles. That insight has stayed with me and continues to shape how I approach my work today.

What drew me to the Blue Light Card Foundation was the opportunity to combine those two perspectives: a personal understanding of the community and a professional focus on creating sustainable impact through collaboration. It felt like a natural alignment of purpose and experience.

A key part of my role today is facilitating how businesses can turn their corporate social responsibility commitments into real, measurable change. Many organisations want to support the emergency services community but aren't always sure how to do that effectively. The Foundation provides a trusted route, connecting business support with expert-led programmes and initiatives that are already delivering high-quality mental health and wellbeing support.

As CEO, I focus on setting the Foundation's strategic direction, building partnerships across business and the charity sector, and ensuring we use our platform to convene organisations, unlock funding and enable long-term impact for those who serve our communities.



Behind every programme, every partnership and every piece of funding, there are real people whose lives are being changed in meaningful and lasting ways.

How would you describe the mission of the Blue Light Card Foundation and the role it plays in supporting the emergency services community?

Every day, members of the UK's Blue Light community step forward when others step back. Paramedics, firefighters, police officers, NHS staff and members of the armed forces routinely face trauma, high-pressure decision-making and situations most people will never encounter.

While their work protects and supports our communities, the emotional impact of repeated exposure to crisis, loss and responsibility does not simply end when a shift finishes or a service ends. Over time, these experiences can affect mental wellbeing, relationships and the ability to rest and recover.

We exist to ensure that those who spend their lives supporting others have access to meaningful opportunities to restore their mental health and wellbeing. This includes support through nature-based recovery, connection with others who share similar experiences and innovative clinical programmes designed specifically around the realities of service roles. Today, we support over 50 programmes across all four nations and have reached more than 270,000 individuals. These programmes are designed not only to respond to challenges, but to prevent them from escalating, helping individuals build resilience and maintain long-term wellbeing.

We also act as a bridge for businesses that want to give back in a meaningful way. Through the Foundation, they can channel their support whether through funding, volunteering or expertise into initiatives that deliver tangible, lasting benefits. In essence, our mission is to strengthen the community, connect people with the right support at the right time and ensure that giving, from both businesses and individuals, translates into real, long-term impact.

What are your key areas of focus and how do you determine where support can have the greatest impact?

Our focus is guided by evidence, collaboration and listening to the sector. We prioritise mental wellbeing support that is preventative, accessible and sustainable, particularly in areas where there are clear gaps in provision or opportunities to scale approaches that are already delivering strong outcomes.

We work closely with sector partners, research insights and lived experience to understand where pressures are increasing. This includes recognising the cumulative impact of trauma, the challenges around accessing timely support and the importance of early intervention.

Impact potential, collaboration opportunities and long-term benefit are key factors in determining where we invest. We are particularly focused on initiatives that can be embedded over time, rather than short-term solutions, ensuring that support is consistent and meaningful for those who need it.

By taking a collaborative and insight-led approach, we are able to direct resources where they can make the greatest difference, while also supporting innovation across the sector.

Can you share a recent initiative, partnership or story that really brings the Foundation's impact to life?

Our impact is often most clearly seen when individuals are able to access support earlier, preventing challenges from escalating and strengthening long-term wellbeing.

However, we cannot shy away from the reality that emergency service workers experience, on average, at least 500 traumatic events across the course of their careers, compared to fewer than five for most people outside of these roles. These are experiences that do not simply fade when a shift ends; they stay with individuals and can have a profound effect over time.

I recently visited one of our projects in Durham, where I met a participant who shared his experience with me. He told me that, before attending the programme, he had been in a very dark place and had already attempted to take his own life twice. The programme came at exactly the right moment for him, providing support, connection and a pathway forward.

He told me that if it wasn't for that project, he would not have been alive today.

Moments like that bring into sharp focus the importance of what we do. They are a reminder that behind every programme, every partnership and every piece of funding, there are real people whose lives are being changed in meaningful and lasting ways.

How do you measure success and ensure your support delivers meaningful outcomes for beneficiaries?

Success for us goes beyond outputs or numbers reached. While scale is important, our focus is on outcomes, whether people experience improved wellbeing or better access to appropriate support.

We work closely with our project delivery partners to define clear impact measures from the outset, combining quantitative data with qualitative insight. This allows us to understand not only how many people we are reaching, but the depth and quality of the impact being delivered.

We also place a strong emphasis on the sustainability of the projects we support. It's important that programmes are able to continue delivering value over time, rather than providing short-term interventions that are difficult to maintain.

Ultimately, success is about ensuring that individuals feel better supported, more connected and more able to manage the challenges they face, both in the short and long term.

The charity sector continues to face increasing demand and funding pressures; how are these challenges affecting your work and priorities?

Demand for mental health and wellbeing support across the emergency services community continues to grow, and with that comes increasing pressure on charities and support organisations to deliver more, often with limited resources.

One of the ways we are responding is by helping businesses translate their corporate social responsibility commitments into meaningful, structured support. For example, becoming a Business Champion with the Foundation enables organisations to provide consistent backing to our high-impact programmes, while also engaging employees through volunteering, fundraising or skills-based support.

We are currently offering match funding on all donations to our cause, meaning businesses can effectively double their impact at no additional cost. This is an important mechanism for encouraging greater participation and ensuring that contributions go further.

Our priorities remain focused on collaboration and sustainable impact, making sure that contributions, whether financial or in-kind, strengthen organisations and services over the long term, rather than funding short-term fixes.

By working in partnership with both the charity and corporate sectors, we can ensure that support is not only responsive to current demand, but also resilient enough to meet future challenges.

Further information

To learn more about the Blue Light Card Foundation's work and the impact it is delivering across the UK's emergency services community, **read the latest impact report.**

For further information or partnership enquiries, please contact Emma Woods-Bolger at contact@bluelightcardfoundation.org



We exist to ensure that those who spend their lives supporting others have access to meaningful opportunities to restore their mental health and wellbeing.

BLUE LIGHT CARD
FOUNDATION



Our sector expertise

At UHY, delivering professional services to the charity and not-for-profit sector is one of the core areas we have built our business around. We are committed to sharing best practices and knowledge to support our clients in an increasingly complex and competitive landscape.

Effective financial management has never been more critical and having the right expertise and guidance can make all the difference in ensuring long-term sustainability. We advise over 300 charity and NFP clients across the UK, from local organisations to major national bodies, offering sector-specific insights based on deep experience and long-standing client relationships.

While your primary focus will be on delivering impact for beneficiaries, maintaining robust financial controls and ensuring transparency in public reporting are vital. Our approach is to provide comprehensive charity audit, accounting and taxation services that support financial resilience, allowing you to focus on achieving your core mission. We also provide charity-specific consultancy services, such as assisting with audits for grant and funding applications, advising on annual Charity Commission submissions, helping charities take advantage of the various VAT concessions available and assisting with setting up a charity and obtaining charitable status.

Whether you need strategic guidance, compliance support or help navigating financial complexities, we are here to support you every step of the way.

Ranked No.1 for overall service levels in consecutive Charity Finance surveys

Our service is bolstered by our deep commitment to our purpose of helping you prosper, which applies across all that we do for our clients, our teams and our communities.

But don't just take our word for it! Our commitment to exceptional client service was recognised in the results of the latest Charity Finance Magazine's Audit Survey, where we received the top ranking for overall service levels, placing UHY first in the magazine's 'Charity auditor awards' for the second year running.

If you would like to find out more about the services we provide to the sector, please visit www.uhy-uk.com/charities or get in touch with one of the experts listed to the right.



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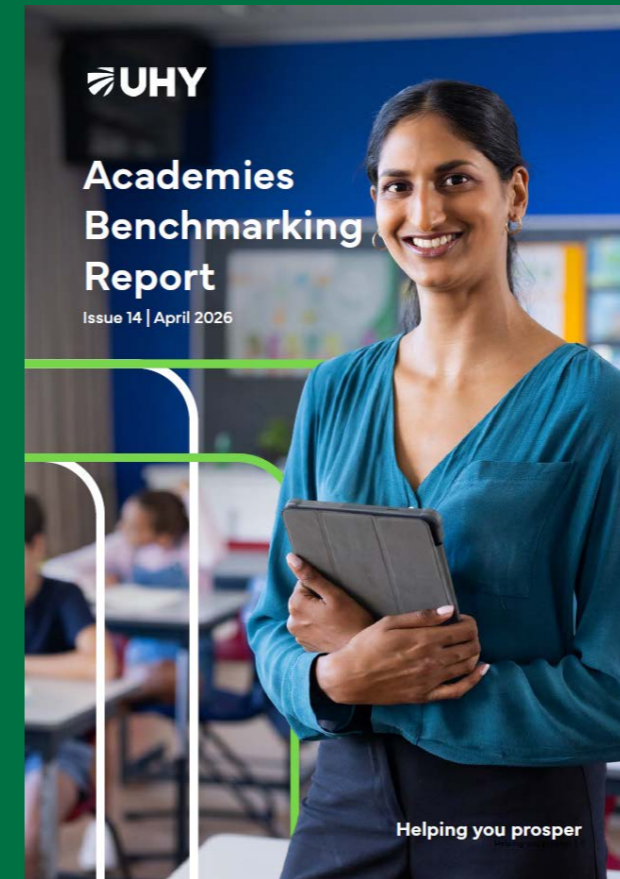


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Whether you are looking for advice on your personal finances, looking to start a new business, expand your current business interests, or you just want regular compliance advice, our clients come in all shapes and sizes and so do our services.

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