

COMPLETING THE FINANCIAL STATEMENT (hard copy version)

Before the end of the financial year

Pay any outstanding bills.
Make sure you have collected all money due.
Pay any cash or cheques into the bank

At the end of the financial year:

Ensure you have a bank statement up to the end date of your financial year, and a statement for any savings or other account.

You will also need a copy of your WI's financial statement for last year. Enter totals from this in the 'Last year' columns on pages 1 and 2.

Financial Statement headings: pages 1-3 of the financial statement:

Enter the WI name at the top of pages 1-3.

At the top of page 1, enter the charity registration number if your WI is registered with the Charity Commission, the name of your federation and the dates your financial year started and ended, e.g. from 01/04/XX to 31/03/XX

Section A: Receipts and Payments

A1 and A2

Enter the totals from the corresponding column totals in the Receipts and Payments pages of the account book.

See page 4 for an explanatory note about funds received and paid as agent.

If you have a savings account where interest was paid directly into that account, and not entered in the account book as a receipt, enter this in cell D26,

If your WI owns a hall that has a separate set of accounts, enter the total receipts and payments from the hall accounts.

Add up and enter the total receipts and payments.

A3 and A4: restricted funds

Charity accounting rules require you to show details of any restricted funds separately. These are funds which must only be used for particular purposes specified by the donor or by the terms of an appeal, whereas unrestricted funds can be used for any of the WI's charitable purposes.

Enter the total receipts and payments of restricted funds at A3 and A4, if any.

A5

Enter the total cash funds carried forward from last year's financial statement.

A6

Add the cash funds brought forward from last year to the surplus/deficit for this year and enter the total. This figure must equal total cash funds at B1 (see below).

A7

If the WI has not spent all restricted funds by the end of the financial year, enter the balance here.

Section B: Statement of Assets and Liabilities at the year end

This statement is in place of a balance sheet. It should give a broad understanding of the type of assets controlled by the WI Committee and any material liabilities that have to be met from the WI's funds.

B1: Cash funds

- B1.1** Calculate the final bank balance figure according to the account book as below.
- This will not necessarily be the same as the bank statement total because it includes any receipts and payments that have not cleared in the bank by the year end date.

Add up any receipts not cleared in the bank by the year end date (i.e. where column 16 in the account book Receipts page is blank).

Do the same for any cheque payments that have not cleared in the bank (i.e. where column 16 in the account book Payments page is blank).

The formula to calculate the final bank balance for box B1.1 is:

	<u>Bank statement</u> closing balance at year end
Plus	Total amounts paid but not cleared
Minus	Total cheques written but not cleared
Minus	Total cheques still uncleared from last year, if any
Equals	<u>Final bank balance</u> as per Account Book

If your WI has more than one current account you should add together the totals for all the accounts as the financial statement must show the total funds held by the WI.

- B1.2** Enter the figures above in section B1.2 of the financial statement.
- B1.3** If the WI has a deposit or savings account, enter the total balance at the year end.
- B1.4** Enter any petty cash balance at the year end.
- B1.5** If the WI has not yet fully paid over monies collected as agent by the year end, enter the balance here, e.g. any federation/NFWI subscriptions owing.

Total cash funds

Ensure the total is the same as at A6. This demonstrates that all transactions have been accounted for.

B2– B5 Complete any of these that apply to your WI. Otherwise leave blank.

B2 Investments

If your WI holds investments (in addition to any savings account), you should obtain a statement of the value at the year end and enter the amount here.

B3 Other monetary assets

Enter the total of any other monetary assets, e.g. any money owed to the WI at the year end.

B4 Other assets

Enter a description of any property or significant equipment owned by the WI; enter the value and original cost if meaningful information is available.

B5 Liabilities

Enter any monies owed by the WI either at the year end or at some date in the future, such as a loan.

Section C: Notes to the financial statement

C1: Funds received and paid as agent

Enter the total amounts received and paid as agent, i.e. the totals of columns 3, 5 and 6 in the Receipts and Payments pages.

If you have not paid over in full any money received as agent, enter any balance held at the year-end for each category. The total should be the same as the amount in B1.5.

C2: Restricted funds

Enter a description of any restricted funds the WI had in the year and the receipts and payments for each fund, if more than one. The totals should equal A3, A4 and A7.

C3: Further details of activities/ fundraising / other receipts and payments

Provide a further breakdown of the totals in the A1 and A2, e.g. by type of activity or event.

Independent Financial Examination

The WI must appoint an independent financial examiner. This should be an independent person who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts.

An independent examiner cannot be:

- A trustee, or custodian trustee, of the charity
- A related party of a trustee or custodian trustee
- The donor of any land to the charity
- The charity's bookkeeper

It is recommended that you use your federation's IFE scheme if they operate one; the federation will allocate an independent examiner.

You should provide the independent examiner with the completed financial statement and the supporting paperwork. If they are not a federation IFE, you should also provide a copy of the WI's constitution.

The independent examiner may raise matters that can be corrected in the financial statement before it is finalised.

If the examiner has significant concerns about the final financial statement he /she will issue a qualified report and disclose the relevant matters in the statement. He /she may also report less serious concerns to the WI Committee that don't merit a qualified report which the WI Committee should aim to address.

Signing the Financial Statement

When finalised, the financial statement should be signed at the end of page 2 on behalf of all the WI Trustees (Committee Members) by two trustees, normally the President and Treasurer, and by the independent examiner. The independent examiner should also initial pages 2 and 3.

Presenting the accounts to WI members at the Annual Meeting

In accordance with the WI Constitution, the retiring Committee must present to the Annual Meeting a report of the work of the year together with the signed and independently examined financial statement. The signed accounts (financial statement) must be made available to all WI members.

Annual report requirement for WIs registered with the Charity Commission

All registered charities are also required to produce an annual report with mandatory content. A separate guidance note is available

Acting as Agent

A WI is acting as agent where a member makes a payment to the WI that she intends to be passed on to the federation or the NFWI. The WI Committee has no discretion over the use of the funds when acting as agent.

When the WI acts as agent the funds are not included within the WIs total receipts and payments in the Financial Statement.

The receipts and payments do go through the WI's bank account and are still recorded in the account book under the appropriate headings and the totals are transferred to the 'Notes' section (Section C) of the financial statement.

There are three types of receipt /payment that this applies to.

1. The share of the membership subscription that is to be passed on to the federation and the NFWI (i.e. the federation and NFWI shares).
2. Payment for bookings by individual members on federation events where members book and pay as individuals and the WI is doing nothing more than acting as a conduit to pass on information from the federation and members' payments to the federation.
3. Payments for the NFWI or federation raffle tickets that are collected and passed to the raffle operator.

Please note that a WI is not acting as agent in the following situations:

- The WI organises an event or visit for a group of members and charges members a fee. In this case the WI committee is exercising discretion in organising the event and the booking is made in the name of the WI.
- The WI is paying for members to attend a federation event from WI funds.
- The WI orders and purchases diaries, calendars and other items from the federation and sells to members, where there is a single order in the name of the WI.
- The WI raises funds and donates them to Denman; the funds raised become restricted WI funds and are donated by the WI to Denman.