

# Woodland Trust achieves 33 per cent income increase

**Diane Sim reports on the strong contribution made by legacy income to the Charity 250 Index and takes a closer look at the challenges facing religious charities.**

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THE WOODLAND Trust is the top performing charity in this month's review, reporting a 33 per cent increase in income to £49.4m. It is one of 59 members of the haysmacintyre / *Charity Finance* 250 Index which have year ends falling in October, November and December of 2016.

The environmental charity benefited from a £9.1m legacy, which helped boost overall legacy income by 54 per cent to £21.9m. The charity also received £2.3m from the People's

Postcode Lottery, which contributed to a 51 per cent increase in voluntary income to £10.6m. The trustees concede that growth in other sources of income was much lower at 8.6 per cent, and that the growth generated by exceptional income in 2016 is unlikely to be repeated in 2017.

“Legacies are a mainstay of many animal charities”

Legacy income is, of course, a mainstay of many animal welfare

charities, and this year is no exception. Legacy income has gone up by 23 per cent to £14.9m at Battersea Dogs' and Cats' Home, where it accounts for 36 per cent of total income, and by 10 per cent to £24.8m at the Donkey Sanctuary, where it accounts for 65 per cent of total income. Similarly, it has gone up by 6 per cent to £18.5m at Blue Cross, where it accounts for 52 per cent of total income, and by 71 per cent to £7.8m at World Animal Protection, where it accounts for 23 per cent of total income.

Cats Protection is the only animal charity to buck the upward trend, with legacy income falling by 14 per cent to £26.1m, though this income stream still accounts for a significant 47 per cent of its total turnover.

It is not just animal charities, however, that are benefiting from a surge in legacy income. Health-related charities including Sightsavers International, MS Society and Médecins Sans Frontières (UK) all report annual growth rates in legacy income of 20 per cent or more.

While two-thirds of the charities in the Charity 250 Index which report results in the fourth quarter have boasted income rises, there are some chunky falls in income that have helped depress the overall growth of the index.

The Aga Khan Foundation (UK), for example, reports a 62 per cent fall in income to £27.9m, driven by an 87 per cent fall in funding for “institutional development” from £57.1m to £7.2m. The bulk of institutional funding in 2015 was used to finance a student housing development in the King's Cross area of London, which opened in January 2016. The majority of rooms are used by students attending programmes at The Institute of Ismaili Studies and The Aga Khan University Institute for the Study of Muslim Civilisations.

There was also a big fall at the Church of Jesus Christ of Latter-Day

## CHARITY 250 INDEX: PERFORMANCE AT A GLANCE

The haysmacintyre / *Charity Finance* 250 Index is calculated by taking the collective income of the top 250 charities in 1996, and re-basing this amount to 1,000. As income values then change over subsequent years, this value moves up and down from 1,000 in the same proportions.

On this basis, the Index performed below expectation in the fourth quarter of 2016, missing its average quarterly rise by 29 points. All income streams performed below expectation with the exception of legacy income, which outperformed its quarterly benchmark by 109 points, spurred by chunky increases at several animal, environmental and health charities.

The worst-performing income stream was charitable activities, which missed its quarterly benchmark by 44 points. It was followed by trading, voluntary and investment income, which fell short of their quarterly benchmarks by 28, 23 and 6 points respectively.

	Index total	Legacy	Voluntary	Charitable activities	Investment	Gross trading
Index value	3,935	3,010	4,720	4,114	1,483	5,580
Points growth in last quarter	16	192	68	-8	17	59
Average quarter four points growth	45	83	91	36	23	87
Points growth in last year	72	204	151	46	62	163
Average yearly points growth	148	93	185	160	17	222

Saints (Great Britain), where total income was down 46 per cent to £39.1m. This was due to a 91 per cent decrease in grant income from the Mormon charity's Utah-based parent company, the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, from £36.8m to £3.2m. The British arm acts as the agent of the parent company in the transfer of funds to and from other Church entities globally.

## RELIGIOUS CHARITIES

Across the Charity 100 and Charity 250 Indexes, there are 22 religious charities, ranging from the Church Commissioners for England with annual income of £154.7m to the Chelmsford Diocesan Board of Finance with £23.5m. In terms of sector, they span many of the different denominations of Christianity, such as the Church of England, Roman Catholicism, Methodism and Mormonism. Judaism is also represented, via United Synagogue.

The representation of religious charities in the Indexes has decreased

over the last year, with four diocesan charities not keeping pace with the three-year average income requirement of £21.2m for membership of the Charity 250 Index. At first glance, this may seem like a performance issue, though this is not always the case.

## “The biggest threat to dioceses is diminishing congregations”

One of last year's exits, the Diocese of Hexham and Newcastle, for example, saw its annual income fall from £22.2m in 2014/15 to £12.2m in 2015/16. This resulted from the board's decision to no longer consolidate the accounts of its former social welfare subsidiary, St Cuthbert's Care, into its own accounts, following changes to the latter's governance. St Cuthbert's Care is now an independent charity with annual income of £9.5m at 31 March 2016.

A similar restructuring resulted in

the relegation of the Congregation of the Daughters of the Cross of Liege to the Charity 250 Index earlier this year, when its three-year average income fell below the £58.2m requirement for membership of the Charity 100 Index. Total income at the religious charity fell from £65.4m in 2013/14 to £47.8m in 2014/15 and £36.1m in 2015/16, reflecting the sale of St Anthony's Hospital to Spire Healthcare in May 2014. While the headline figures show a fall in income, income from the charity's continuing operations actually increased in 2015/16 by 2 per cent.

“It is becoming increasingly common for religious orders or diocesan charities that have set up hospitals, care homes or schools to sell them or hive them off as independent charities, so that they can be managed with the requisite level of focus and expertise,” comments haysmacintyre's head of faith charities Adam Halsey. “They may continue to support the charity but it is more likely to be as a grant-making trust, rather than as a direct service provider.”

## CHARITY 250 INDEX LATEST ANNUAL ACCOUNTS (% CHANGE ON PREVIOUS RESULTS IN RED)

Charity name	Year end	Legacies £'000	Voluntary £'000	Charitable activities £'000	Investment £'000	Gross trading £'000	Total income £'000
Challenge Network	31 Oct 16		160 (+33)	65,057 (+27)	132 (+16)		65,349 (+27)
Shakespeare Globe Trust	31 Oct 16	34 (-45)	2,518 (+50)	20,723 (+18)	63 (-53)	3,713 (+5)	27,051 (+17)
Amanat Charity Trust	30 Nov 16		29,033 (+22)		156 (-9)	1,041 (+14)	30,230 (+21)
Moondance Foundation	30 Nov 16		21,234 (+2)		12,798 (+41)		34,032 (+14)
Aga Khan Foundation (UK)	31 Dec 16		477 (-29)	27,418 (-62)	88 (-45)		27,983 (-62)
Arundel And Brighton Diocesan Trust	31 Dec 16	793 (+13)	9,277 (0)	14,676 (+4)	809 (-7)		25,555 (+3)
Battersea Dogs' and Cats' Home	31 Dec 16	14,924 (+23)	21,738 (+7)	3,867 (+13)	287 (-8)	285 (-22)	41,101 (+13)
Benenden Hospital Trust	31 Dec 16		21,584 (+9)	10,395 (+16)	26 (-24)		32,005 (+11)
Blue Cross	31 Dec 16	18,458 (+6)	9,414 (-5)	2,127 (+21)	775 (-6)	4,520 (+6)	35,294 (+3)
Camfed International	31 Dec 16	307 (+94)	11,317 (+17)	16,548 (-8)	102 (+13)		28,274 (+1)
Cats Protection	31 Dec 16	26,129 (-14)	19,046 (+15)	1,974 (-14)	1,292 (+16)	7,086 (+34)	55,527 (-1)
Chelmsford Diocesan Board of Finance	31 Dec 16		196 (-31)	21,426 (0)	1,864 (+3)		23,486 (0)
Christian Vision	31 Dec 16		26,500 (+13)		17,429 (+8)		43,929 (+11)
Church of Jesus Christ of Latter-Day Saints (Great Britain)	31 Dec 16		34,762 (0)	4,306 (-89)	4 (+100)		39,072 (-46)
Concern Worldwide (UK)	31 Dec 16	439 (-10)	6,922 (-29)	19,107 (-10)	1 (-67)	30 (-)	26,499 (-16)
Cornwall Care	31 Dec 16		21 (-75)	32,139 (+13)	3 (0)		32,163 (+13)
Depaul International	31 Dec 16	155 (+2,483)	3,255 (+30)	24,262 (+8)	8 (+14)		27,680 (+11)
Diabetes UK	31 Dec 16	12,531 (+8)	16,376 (-6)	2,450 (-34)	309 (+23)	4,808 (+18)	36,474 (-1)
Donkey Sanctuary	31 Dec 16	24,841 (+10)	11,179 (+9)	151 (-23)	670 (+6)	1,477 (+4)	38,318 (+9)
Glyndebourne Productions	31 Dec 16			28,217 (+6)	326 (+10)	1,190 (+14)	29,733 (+6)
Healthcare Management Trust	31 Dec 16		142 (+14,100)	31,986 (+1)	508 (+104)		32,636 (+2)
Hospital of St John & St Elizabeth	31 Dec 16	340 (-72)	1,375 (+29)	54,906 (+4)	40 (+8)	787 (+8)	57,448 (+3)
Hospital Saturday Fund	31 Dec 16		1 (-)		584 (+4)	27,438 (+10)	28,023 (+10)
Institution of Mechanical Engineers	31 Dec 16		188 (-15)	13,414 (+2)	1,170 (-9)	7,169 (-38)	21,941 (-16)
Liverpool RC Archdiocesan Trust	31 Dec 16	610 (-13)	11,462 (-1)	2,002 (+20)	5,038 (-1)	12,378 (-26)	31,490 (-12)

## CHARITY 250 INDEX LATEST ANNUAL ACCOUNTS (% CHANGE ON PREVIOUS RESULTS IN RED) (CONTINUED)

Charity name	Year end	Legacies £'000	Voluntary £'000	Charitable activities £'000	Investment £'000	Gross trading £'000	Total income £'000
London Diocesan Fund	31 Dec 16		1,000 (-17)	34,200 (+6)	4,900 (-35)		40,100 (-2)
Médecins Sans Frontières (UK)	31 Dec 16	8,234 (+32)	41,924 (+15)	3,940 (+20)	20 (+100)		54,118 (+18)
Mill Hill School Foundation	31 Dec 16		617 (+62)	26,471 (+10)	76 (-11)	414 (-3)	27,578 (+10)
Mission Aviation Fellowship International	31 Dec 16		15,391 (+10)	10,572 (+13)	516 (-17)		26,479 (+11)
MS Society	31 Dec 16	11,233 (+20)	14,078 (-7)	787 (-7)	278 (+3)	2,517 (+51)	28,893 (+6)
North of England Zoological Society	31 Dec 16		3,222 (+38)	27,389 (+18)	12 (-94)	11,429 (+16)	42,052 (+18)
Oxford Diocesan Board of Finance	31 Dec 16		236 (+5)	20,815 (-2)	4,018 (+3)		25,069 (-1)
Parkinson's Disease Society	31 Dec 16	12,355 (-5)	19,509 (+11)	275 (+23)	245 (-10)	480 (+5)	32,864 (+4)
Roman Catholic Diocese of Southwark Diocesan Trust	31 Dec 16	685 (-42)	20,858 (-7)	2,087 (-23)	2,167 (0)		25,797 (-10)
Royal Albert Hall	31 Dec 16		2,917 (-29)	11,475 (-3)	323 (+4)	17,901 (+21)	32,616 (+5)
Royal Institute of British Architects	31 Dec 16		451 (+12)	12,579 (+8)	418 (-5)	28,858 (+6)	42,306 (+7)
Sightsavers International	31 Dec 16	12,726 (+28)	27,850 (+7)	31,259 (+13)	224 (+30)	13 (+117)	72,072 (+13)
Sigrid Rausing Trust	31 Dec 16		20,158 (-18)		28 (+180)		20,186 (-18)
SSAFA	31 Dec 16	3,866 (+50)	8,097 (+26)	38,606 (-12)	1,062 (+3)	177 (+12)	51,808 (-4)
St John of God Hospitaller Services	31 Dec 16		458 (-73)	20,898 (-2)	1 (-50)		21,357 (-8)
St Monica Trust	31 Dec 16			22,894 (+5)	6,923 (+1)		29,817 (+4)
StepChange Debt Charity	31 Dec 16		353 (-68)	49,043 (+9)	91 (-45)		49,487 (+7)
United Bible Societies Association	31 Dec 16		495 (+23)	35,329 (+20)	1,139 (+33)		36,964 (+21)
United Reformed Church Trust	31 Dec 16	206 (-71)	621 (-60)	21,008 (-9)	1,626 (+2)	650 (+12)	24,111 (-13)
United Synagogue	31 Dec 16		23,898 (-9)	10,237 (+6)	181 (+187)	5,823 (+6)	40,139 (-3)
Westminster Roman Catholic Diocesan Trust	31 Dec 16	2,337 (-7)	34,739 (+6)	15,099 (+39)	2,964 (+18)	754 (-4)	55,893 (+13)
Woodland Trust	31 Dec 16	21,949 (+54)	10,576 (+51)	15,460 (+5)	801 (+7)	628 (+1)	49,414 (+33)
World Animal Protection	31 Dec 16	7,830 (+71)	25,475 (-3)		125 (-2)	25 (+257)	33,455 (+8)

While some of the big income falls are of this type, many are still facing challenging times financially.

The primary source of income for most diocesan boards of finance is the contribution from the parishes in their jurisdiction – known as the “parish share” – which in turn is raised from collections, committed giving and Gift Aid from local congregations. The dioceses are responsible for paying for the clergy and other diocesan ministries that support the parishes.

Aggregate figures published this year by the Church of England show that planned giving, which accounts for around a third of parish income, increased by 19 per cent between 2007 and 2015 to £338m but in real terms decreased by 5 per cent. Over the same period, the number of donors decreased by 14 per cent to 542,600.

As for collections, the figures

## LARGEST RELIGIOUS CHARITIES IN THE CHARITY INDEXES

Charity name	Year end	Total income £000s	Change on previous year
Church Commissioners for England	31 Dec 16	154,700	+8
Church of Scotland	31 Dec 16	110,306	+4
Archbishops' Council	31 Dec 16	84,450	-1
Elim Foursquare Gospel Alliance	30 Sep 16	65,200	+1
Westminster Roman Catholic Diocesan Trust	31 Dec 16	55,893	+13

indicate that this income stream performed even worse. It fell from £58.3m to £57.2m, which translates to a real terms drop of 22 per cent. The report suggests that “people are either choosing to give in a more planned way or perhaps visiting church less frequently”.

The biggest threat to the dioceses' main source of income is, of course, diminishing congregations. These can result from secular trends in society, questions over the church's relevance,

reputational issues and competition from other faiths and denominations.

“In the face of static or falling income, diocesan charities are looking much more creatively at how they can deploy limited resources effectively across the parishes to maximise community engagement,” says Halsey. “The use of newly qualified curates, for example, to support the clergy is proving to be an efficient way of maintaining coverage levels across the parishes.” ●

## ABOUT THE CHARITY INDEXES

For further information on how the haysmacintyre / Charity Finance Indexes are compiled, please see <https://goo.gl/srZfLk>

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