



Charities & Non-profit newsletter.

August 2025

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Civil Society Covenant.

On 17 July 2025, the Prime Minister, Keir Starmer, launched the Civil Society Covenant, a new way of working in partnership with civil society organisations.

What is the Covenant?

The Civil Society Covenant sets out a new framework for how civil society and public bodies will work together at both national and local levels to design and deliver policy that works for everyone. It marks a significant shift in how government collaborates with communities, emphasising shared responsibility, inclusive engagement, and mutual respect.

The Covenant is not just a statement of intent—but a commitment to action. It aims to improve collaboration across the wider public sector, including health services, local government, and the justice system, recognising that lasting change requires coordinated efforts across all areas of public life. It applies to all UK government departments and acknowledges the vital role played by a diverse range of civil society actors, including Charities and social enterprises.

By embedding civil society at the heart of decision-making, the Covenant seeks to ensure that policies are shaped by those who understand the needs of communities best.

It is a call to listen, learn, and lead together, building a more inclusive, resilient, and empowered society.

Commitments from the Government

Joint Civil Society Covenant Council:

- A newly established cross-sector board that will be central to the delivery and review of the Covenant
- It will set strategic direction, monitor progress, and provide accountability for how the Covenant is implemented
- The Council includes representatives from government departments, civil society organisations, and other stakeholders to ensure inclusive and balanced oversight.

VCSE-HM Treasury Forum:

- A dedicated forum to strengthen dialogue between the Voluntary, Community and Social Enterprise (VCSE) sector and HM Treasury
- It aims to address financial sustainability, funding challenges, and policy impacts on the sector
- The forum will help ensure that economic and fiscal decisions consider the needs and contributions of civil society.

Engagement and Co-Design:

- Government departments commit to early and meaningful engagement with civil society in policy development

- Civil society will be involved in co-designing services and solutions, especially those affecting vulnerable communities.

Respect for Independence:

- The government reaffirmed its commitment to respect the independence of civil society organisations, including their right to advocate and campaign.

Stable and Transparent Funding:

- Efforts will be made to improve funding mechanisms, reduce bureaucracy, and provide longer-term financial support
- The Covenant encourages multi-year funding agreements and clear communication around funding decisions.

Capacity Building and Inclusion:

- Support for leadership development, skills training, and inclusive practices across the sector.

- Focus on removing barriers for smaller and grassroots organisations to participate in national initiatives.

Looking ahead

The Civil Society Covenant has the potential to make a meaningful difference in addressing the challenges faced by the most vulnerable in our communities.

Charities and other not-for-profit organisations are uniquely positioned to contribute to this initiative, drawing on their deep understanding of local needs and lived experiences.

Their involvement can help shape more effective and inclusive policies through direct collaboration with government. It is critical that charities engage with the Covenant process and ensure their voices are heard in shaping the future of civil society.

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Trust in charities - what's changed?

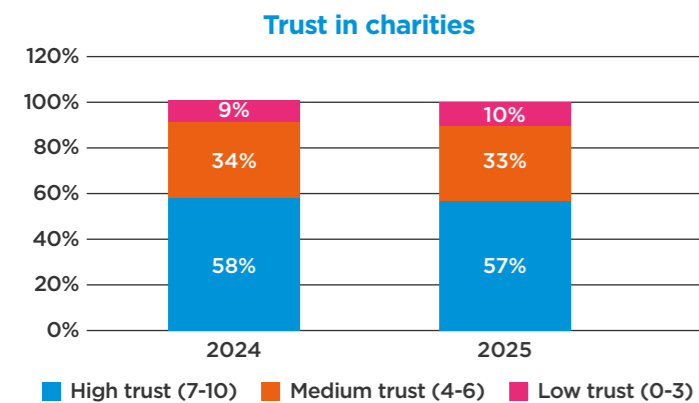
The Charity Commission has recently published its annual research into public trust in charities, conducted in partnership with research agency BMG.

The study, carried out in spring 2025, explores how the public perceives charities and what drives their trust and support.

It also includes insights from charity trustees about their roles, responsibilities, and views on regulation.

The findings offer a valuable snapshot of the sector’s reputation and the evolving expectations of both the public and those who govern charities.

The latest research reveals that public trust in charities remains resilient in 2025, with 57% of respondents expressing high levels of trust—a figure consistent with last year and second only to trust in doctors. This continued confidence comes despite increased scrutiny and high-profile media coverage of the sector.



What drives public trust?

The report highlights that the most influential factor in building trust is ensuring that donations reach the intended cause. Other key drivers include:

- Demonstrating real impact
- Transparency in fundraising and spending
- Ethical standards and accountability.

These findings underscore the importance of clear communication and responsible financial management in maintaining public confidence.

Changing patterns of support

While financial donations have declined slightly post-pandemic, volunteering has seen an uptick, with four in ten volunteers maintaining long-term commitments to charitable organisations. The public is also more likely to support charities that:

- Spend most of their funds on the end cause (72%)
- Are transparent about their operations (69%)
- Are registered with the Charity Commission (64%).

Media influence and public perception

Interestingly, 53% of respondents reported feeling more positive about charities after seeing recent news coverage, despite some negative stories. This suggests that transparency and visibility—even in challenging times—can strengthen public trust.



The role of the Charity Commission

Awareness of the Charity Commission remains steady at 49%, but positive sentiment has grown, with 76% of those aware expressing confidence in its role.

The Commission’s handling of investigations and its efforts to uphold standards are likely to have contributed to this improved perception.

Campaigning and advocacy

Contrary to concerns that campaigning might alienate supporters, the research shows that 44% of the public are more likely to support charities that campaign for change.

Support is particularly strong among younger demographics.

Looking ahead

The Charity Commission’s findings offer valuable insights for charities seeking to build and maintain public trust. Key takeaways include:

- Prioritising transparency and impact
- Engaging with volunteers and supporters meaningfully
- Communicating clearly, especially during times of scrutiny
- Leveraging the Charity Register to demonstrate legitimacy.

As the sector continues to evolve, these insights will be crucial for charities aiming to strengthen relationships with the public and deliver lasting change.

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UK Trustee Analysis - skills, experience and demographics.

The Charity Commission, in collaboration with Pro Bono Economics, recently released their research into trusteeship and the trustee population. This research was undertaken to gain a deeper understanding of the trustee population across England and Wales.

The primary aim was to explore the composition, skills, and experiences of individuals serving on charity boards, and to assess how representative this group is of the wider public. By examining the demographics of trustees, the study sought to identify patterns and disparities in participation, particularly in relation to age, ethnicity, socio-economic background, and professional experience.

In addition to demographic insights, the research aimed to uncover the motivations that drive individuals to become trustees, as well as the barriers that may prevent others from engaging.

Key findings

The research revealed that the trustee population in England and Wales is not fully representative of the wider public. It concluded that trustees remain predominantly older, white, and drawn from professional or managerial backgrounds. This demographic profile highlights a significant underrepresentation of younger individuals, people from ethnic minority communities, and those from lower socio-economic groups.

In terms of skills and experience, trustees bring a strong foundation in areas such as finance, law, and strategic management. However, the report identified notable gaps in digital expertise, fundraising capabilities, and lived experience relevant to the communities served by charities. These gaps suggest a need for more diverse recruitment strategies to ensure boards are equipped to meet modern challenges.

The motivations for becoming a trustee were largely altruistic, with many individuals expressing a desire

to give back to society and support causes they care about. Despite this, the research found that many potential trustees are deterred by barriers such as a lack of awareness about opportunities, time constraints, and a perception that trusteeship is only accessible to certain types of people.

Recruitment practices were also highlighted as a contributing factor to the lack of diversity. Many trustees are appointed through informal networks, which can reinforce existing homogeneity and limit access for those outside traditional circles.

Overall, the findings underscore the importance of promoting inclusive recruitment, raising awareness of the benefits of trusteeship, and providing support and training to help new trustees thrive in their roles.

Recommendations

The report outlines several key recommendations aimed at strengthening the trustee population and improving the overall effectiveness and inclusivity of charity governance. A central recommendation is the need to broaden access to trusteeship by promoting more inclusive and transparent recruitment practices. This includes moving away from informal, network-based approaches and instead adopting open recruitment methods that actively seek out individuals from underrepresented groups.

To support this goal, PEM recommends reviewing research such as *“Who gets a say in how charities are run? Broadening access to trusteeship”* by [Pro Bono Economics](#). This article offers valuable insights into the structural barriers that limit access to trustee roles and highlights practical initiatives—such as the Young Trustees Movement and Getting on Board—that can help build more diverse and representative boards.

Another major recommendation is to raise awareness of trusteeship as a valuable and accessible opportunity for personal and professional development.

The report suggests that more should be done to communicate the benefits of becoming a trustee, particularly to younger people, ethnic minorities, and those from less advantaged socio-economic backgrounds.

The Charity Commission also recommends enhancing the support available to trustees, especially those new to the role. This includes providing better access to training, guidance, and peer networks to help trustees build confidence and competence in their responsibilities.

Additionally, the report encourages charities to recognise and value a broader range of skills and lived experiences, which can enrich board discussions and decision-making.

Finally, the report calls for continued efforts to monitor and evaluate the diversity and effectiveness of charity boards, using data to inform future policy and practice. These recommendations are intended to ensure that trusteeship remains a positive, impactful, and inclusive opportunity for all.

Charity Commission guidance on [finding and appointing trustees \(CC30\)](#) was also updated in May 2025 to reflect good practice on trustee recruitment and provide support and guidance to Charity Boards.

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Changes to annual accounts filing requirements.

Companies House has announced significant reforms to the way companies must file their annual accounts, as part of a broader initiative to modernise and digitise its services.

From 1 April 2027, all annual accounts—including those for dormant companies—must be filed using commercial software. Traditional filing methods, such as paper submissions and on the Companies House online portal, will no longer be accepted for accounts filings. However, these channels will remain available for other statutory filings.

Additionally, the joint filing service that allows companies to file accounts with both Companies House and HMRC simultaneously and free of charge will be discontinued by March 2026, ahead of these changes.

Companies House is also streamlining the filing process for small and micro-entities:

- Both small and micro-entities will be required to file a balance sheet and profit and loss account
- Small entities must also submit a director's report and, where applicable, an auditor's report
- The option to file abridged accounts will be removed.

These changes may particularly impact charitable subsidiary accounts.

A range of commercial software solutions is already available from various providers, offering tools to prepare and file accounts in compliance with the new requirements.

We recommend that you discuss this with your finance staff, accountant, independent examiner or auditor to ensure a smooth transition.

The role of the Charity Commission

The regulatory framework is still evolving, and Companies House is expected to release additional guidance as the 1 April 2027 deadline approaches. To stay informed, we encourage charities to monitor the official [Changes to UK company law](#) updates page or subscribe to Companies House's email newsletter for the latest announcements and resources.

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VAT groups in the care sector - is your structure at risk?

In April, HMRC issued a Policy Brief addressing the use of VAT grouping arrangements within the care sector—specifically targeting structures involving both regulated and unregulated care providers. These arrangements have historically been used to improve VAT recovery, but HMRC is now taking steps to close what it views as a tax avoidance loophole.

HMRC Policy Brief

The Brief targets a VAT planning arrangement designed to improve VAT recovery by way of a VAT group comprising a regulated and an unregulated care provider. Many organisations have taken advantage of the arrangement over the years, but action is now being taken by HMRC to close the loophole.

The planning arrangement

The tax advantage is achieved by using the VAT grouping rules and turning what would otherwise be exempt income into taxable income. Improved VAT recovery on costs is achieved as a result.

Under the planning arrangement an unregulated provider is inserted into the supply chain between the regulated provider and the Local Authority (“LA”) or the NHS Integrated Care Board (“NHS ICB”),

The regulated and unregulated provider then form a VAT group and any contracts for the supply of welfare services already in place between the regulated provider and the LA or NHS ICB customer are transferred to the unregulated provider.

The unregulated provider then sub-contracts the physical provision of welfare services back to the regulated provider. These services are disregarded for VAT purposes under the umbrella of the VAT group.

Under the terms of the agreement with the LA or NHS ICB, the unregulated provider supplies welfare services to the LA or NHS ICB.

Such supplies fall to be taxable at the standard rate (currently 20%) as the scope of the exemption for the supply of welfare services is confined to regulated providers.

The LA or NHS ICB is indifferent to the charging of VAT as it is entitled to recover VAT properly charged on services related to its non-business activities.

For the care provider, though, an improved VAT recovery position is achieved because of the VAT grouping structure.

VAT on costs is recoverable as the supplies made by the VAT group are taxable.

HMRC crackdown

HMRC has made it clear that it considers these VAT grouping structures to be a form of avoidance.

HMRC now scrutinises new VAT group applications more carefully and it appears inevitable that any such applications intended to make use of the planning arrangement will be refused.

HMRC has also started an exercise to investigate instances where it is known or suspected that the avoidance arrangement is in operation.

Questions will be asked and, where deemed necessary, VAT groups will be disbanded, or relevant parties removed from existing VAT groups. Any changes will be made prospectively and will not have retrospective effect.

HMRC is also encouraging organisations that have implemented this type of arrangement to send an email (with ‘VAT grouping’ in the subject field) to CAGetHelpOutOfTaxAvoidance@hmrc.gov.uk. Suffice to say that this is likely to result in action by HMRC to terminate the arrangement.

At this stage, HMRC is not saying too much about what might happen to those continuing to make use of the arrangement, without there being any contact with HMRC.

More generally, the Policy Brief includes a warning that HMRC will fully investigate a person’s tax affairs if use is made of a tax avoidance scheme.

Taxpayers may be identified as “high risk” and subjected to close inspection over all their tax affairs (not just those parts involving the use of avoidance schemes).

Looking ahead

HMRC’s latest stance signals a clear shift in how VAT grouping arrangements in the care sector will be treated going forward.

Charities and care providers currently using or considering such structures should review their arrangements carefully and be prepared for increased scrutiny.

If your organisation may be affected or you would like tailored advice on VAT compliance and planning, please don’t hesitate to contact the team at PEM.

We’re here to help you navigate these changes with confidence.

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Changes to leases under FRS 102 – accounting and tax implications.

In response to the recent changes to FRS 102, PEM is publishing a series of articles exploring the key updates. So far, the focus has been on lease accounting—covering the implications for financial statements, operational decision-making, and tax considerations.

Below is a summary of the key points most relevant to charities.

What has changed in accounting?

The Financial Reporting Council has introduced significant amendments to FRS 102, effective from accounting periods beginning on or after 1 January 2026. The changes align lease accounting more closely with international standards by removing the distinction between operating and finance leases for most arrangements.

Under the revised standard, lessees must now recognise all leases (with limited exemptions) on the balance sheet, recording both a right-of-use (ROU) asset and a lease liability.

This replaces the previous treatment where operating leases were expensed through rental

payments in the profit and loss account.

Optional exemptions remain for short-term leases (12 months or less) and low-value assets.

What are the implications for your charity?

The impact of including a right of use asset and a lease liability on the balance sheet could have a number of unexpected consequences, as gearing ratios change and entities have interest and depreciation costs rather than operating expenses:

- Breach of covenants around debt
- Reframing results and expectations around profit
- Impact on profit related bonus schemes or other remuneration
- Impact on internal budgets if interest and depreciation are central rather than departmental costs
- Breach of audit thresholds
- Non comparable accounts on transition as assets and liabilities are recognised at the start of the period
- Non comparable performance measures (for example where performance is measured on an adjusted profit measure such as EBITDA).

What are the tax impacts?

For the minority of charities who have some income which is not covered by charitable exemptions, and also for non-charitable subsidiaries, the tax treatment recognising leases as finance leases means depreciation and interest charges will continue to be deductible as they are released to the P&L and there will no longer be rental payments associated with the majority of operating leases.

The tax treatment will generally follow the new accounting approach.

This shift could affect:

- Lease agreements involving subsidiaries Charities should review lease arrangements where leases are held in the name of a subsidiary or where the charity is leasing from or to a subsidiary. It's important to assess which entity is the lessee under the new FRS 102 requirements, ensure the accounting treatment is appropriate, and review any related covenants or intra-group agreements that may be affected.

- Deferred tax positions, where accounting and tax treatments diverge
- Capital allowances, which will require careful tracking of lease classifications if a non-charitable subsidiary is claiming allowances. Whilst capital allowances do not normally apply to charities, if a charity buys or sells a building there may be actions for the charity to take to preserve allowances for any future taxpaying owner.

How PEM can help

Our [June article](#) focuses on the tax implications, while our [July article](#) explores the accounting impact. Please [get in contact](#) with us to understand fully how these changes might impact your charity and how PEM can help guide your charity through the transition to the new standard.

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Government white paper proposes immigration reforms.

The Government has published a white paper titled “Restoring Control over the Immigration System”. The aim of the proposals is to bring more higher skilled people into the UK and reduce the overall migration to the UK.

It recognises that immigration is important for the UK, but uncontrolled immigration puts a strain on resources such as housing and public services and creates a distortion to the job market.

Four areas of increased immigration are mentioned, not including illegal migration:

- Overseas recruitment, particularly for lower-skilled workers
- Sponsored study visa at lower-ranked education institutions
- Visas for dependents
- Stay rate of migrants.

Part of the white paper looks closely at the role education institutions can play in improving the migration strategy, as at the moment the student visa system is being undermined both by individuals seeking to exploit this and by institutions failing to protect it.

A series of measures are proposed, including an increase in the Basic Compliance Assessment (BCA)

metric thresholds by at least 5%, so for example, these could be:

- a visa refusal rate of less than 15% (was 10%)
- a course enrolment rate of at least 95% (previously 90%)
- a course completion rate of at least 90% (previously 85%).

The government would also introduce a banding system to rate each sponsor, interventions for sponsors who are close to failing the metrics and better controls over recruitment agents.

The Graduate route currently allows graduates to remain in the UK unsponsored for two years after graduation (or 3 years for PhD students). This would be reduced to 18 months.

A levy is also being considered on the higher education provider for income from international students. The levy would be reinvested into the higher education and skills system. A figure of 6% on tuition fees is mentioned in the white paper.

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Cyber attack on the Association of Chairs.

On 23 May 2025, the Association of Chairs experienced a cyber attack that resulted in the temporary loss of access to its website and domain. The organisation responded swiftly, with staff identifying the issue within minutes and initiating security protocols. Fortunately, no personal data was compromised, as member login information was securely managed by their software partner, SheepCRM. The charity also confirmed that it suffered no financial loss.

As a precaution, the Association launched a new website under a different domain—switching from @.org to @.co.uk address—and updated its internal email addresses accordingly. Members and supporters were promptly informed through multiple channels, with a warning not to interact with the compromised domain. The incident was reported to the National Fraud Bureau via Action Fraud, and a thorough internal investigation is underway.

Lessons learned

- Rapid Response is Critical: The organisation’s quick identification and containment of the breach helped minimise disruption and risk.
- Secure Data Partnerships Matter: Outsourcing sensitive data to a trusted CRM provider helped protect member information.
- Communication is Key: Transparent and timely updates to stakeholders helped maintain trust during the incident.
- Preparedness Pays Off: The robustness of the Association’s systems and its ability to pivot to a new domain demonstrated strong operational resilience.

- Sector-Wide Risk: The Association highlighted that around 30% of charities face cyber attacks annually, underlining the importance of sector-wide vigilance.

Looking ahead

In light of this incident, the Association of Chairs has committed to reviewing and strengthening its cybersecurity protocols and plans to share its learnings to support other organisations in the sector.

Resources

For additional support, we recommend reviewing the [National Cyber Security Centre \(NCSC\) small charity guide](#), aimed specifically at smaller charities to help improve cyber security.

How PEM can help

To support charities in strengthening their cyber resilience, we have published a number of articles providing guidance on cybercrime on our website including our latest from [March 2025](#), and we will be running a Cyber Recap session in December 2025. This session will cover recent threats, practical prevention strategies, and lessons from real-world incidents like this one. More details will be provided in due course.

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Charity sector shows resilience - analysing the Annual return 2023.



The Charity Commission recently released its analysis of the Annual Return 2023, offering a comprehensive look at the financial and operational health of over 100,000 registered charities in England and Wales. The report provides valuable insights into how the sector is adapting to economic pressures, shifting funding sources, and evolving public expectations.

Sector finances at a glance

- Total income: £96.4 billion (+6.8% from 2022)
- Total expenditure: £95.7 billion (+9.6% from 2022)
- The income-expenditure gap narrowed to just £701 million, the smallest in five years.

While the vast majority of charities (91.7%) had annual incomes under £1 million, a small group of larger organisations (just 2.7%) had annual incomes over £5 million, and accounted for over 75% of the sector's total income. This concentration highlights the growing financial influence of a relatively small number of large charities.

Reserves and financial resilience

- 55% of charities reported income exceeding expenditure.
- 43% spent more than they earned—particularly smaller charities.
- Reserves remained stable at £75 billion.

The report shows a mixed picture of financial resilience. Just over half of charities (55%) reported income exceeding expenditure, while 43% spent more than they earned—particularly among smaller charities with incomes under £100,000.

Despite these pressures, sector-wide reserves remained stable at £75 billion, with unrestricted funds being the most common type.

This suggests that while many charities are operating close to the edge, the sector as a whole retains a strong financial buffer.

Where the money comes from

Charities continue to rely on a diverse mix of income sources:

- Charitable activities remain the largest contributor at 48.5% of income.
- Donations and legacies accounted for nearly a third of income, totalling £31.4 billion.
- Trading and investments provided smaller but still significant contributions.

One notable trend is the shift in government funding. While the number of charities receiving grants fell sharply (from 27,001 to 20,076), those earning income through contracts increased.

This may reflect a move toward more performance-based funding models and a need for charities to demonstrate measurable outcomes.

Grant-making activity

- 31,427 charities awarded grants in 2023.
- £11.8 billion went to other charities.
- £1.2 billion supported individuals directly.

The results underscore the sector's role not only in delivering services directly but also in supporting a wider ecosystem of charitable work.

People power: Staff and volunteers

The sector continues to be powered by a blend of paid professionals and dedicated volunteers:

- Nearly 1.8 million people were employed across 50,000 charities.
- An estimated 6.2 million volunteers contributed their time and skills.

With an average of 3.5 volunteers for every paid worker, the data highlights the critical role of unpaid support in sustaining charitable operations.

While 70% of charities reported having volunteers, only 49% had paid staff—emphasising the grassroots nature of much of the sector.

Trustees and governance

Governance remains largely voluntary, with nearly 923,000 trustees serving across the sector.

Only 9.5% of charities reported offering any form of benefit to trustees, and just 0.69% paid trustees for acting in that role. This reflects the continued reliance on unpaid governance and the strong tradition of voluntary leadership in UK charities.

Additional information on paying trustees for carrying out trustees' duties was included in our [May 2025 newsletter](#).

What this means for the sector

The 2023 data paints a picture of a sector that is financially stable but facing increasing pressure to do more with less.

Larger charities continue to dominate income generation, while smaller organisations often operate on tight margins.

The shift in government funding models and the continued importance of volunteers and trustees highlight the need for adaptability, transparency, and strong governance.

As the sector looks ahead, these insights can help charities benchmark their performance, plan for sustainability, and advocate for the support they need to thrive.

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Carbon accounting for charities.

In today's world, the topic of carbon emissions is prevalent and the call for environmental responsibility is louder than ever.

Charities, in particular, have a unique opportunity to lead by example and drive meaningful change. Carbon accounting isn't just a tool for big corporations; it's a powerful strategy that can help your organisation reduce its carbon footprint, enhance transparency and build trust with your supporters.

By embracing carbon accounting, you can stand out by leading the way in creating a sustainable future while continuing to make a positive impact on the communities you serve. We utilise specialist carbon accounting software which integrates seamlessly with your existing accounting systems to provide detailed insights into your carbon footprint.

What is Carbon Accounting?

- Carbon accounting involves tracking, measuring and reporting the amount of carbon dioxide and other greenhouse gases released into the atmosphere by an organisation's day-to-day activities.

It helps organisations to understand:

- Where their emissions come from (e.g. energy use, methods of travel, supply chain etc)
- What is your emissions level/How much do you emit
- How to reduce or offset emissions over time.

Why does it matter?

Government regulations and legal requirements:

- Large UK companies are legally required to report GHG emissions under the streamlined energy and carbon reporting framework
- NHS requirements around carbon reduction plan and net zero commitments - starting April 2027, all NHS suppliers must publicly report emissions targets and publish a carbon reduction plan aligned with NHS net zero goals.

Strategic & financial benefits:

- Aligns with your organisation's objectives and activities
- Identifies energy and cost-saving opportunities;
- Supports sustainable innovation and operational resilience
- Enhances brand credibility, customer trust and reputation within your community.

What type of emissions are there?

Scope 1: Direct emissions

- Emissions from sources owned or controlled by an organisation
- Examples: vehicles (fuel use), on-site fuel combustion (e.g. gas boilers, generators etc), manufacturing processes.

Scope 2: Indirect emissions (energy)

- Emissions from the generation of purchased energy (electricity, steam, heating, cooling etc). These are a result of energy usage.

Scope 3: Indirect emissions (value chain)

All other indirect emissions (not included in Scope 2) both upstream and downstream;

- Examples: business travel, employee commuting, purchased goods and services, waste disposal, product use and end-of-life, supply chain and transportation.
- We use a specialist carbon accounting software;
- Data is imported directly from your accounting software (e.g. Xero, QuickBooks, Sage) or your general ledger reports via CSV/Excel exports

How can PEM support you with Carbon Accounting?

- We map transactions to emission categories to reflect real-world activities (e.g. electricity use, travel, freight)
- Reporting can be produced as a one-off or on a regular basis.

- Relevant emissions factors are applied to each category based on UK government datasets and we convert financial or activity data into CO₂e (carbon dioxide equivalent)
- We generate reports to include Scope 1, 2, and 3 emissions breakdowns, emission hotspots and trends to provide the insights you need

Conclusion

While carbon accounting is not yet a mandatory requirement for all businesses, it presents a valuable opportunity for charities to lead the way in environmental responsibility.

Getting ahead of the curve now will position your charity as a pioneer in sustainability, setting an example for others to follow.

Next steps

Please [get in contact](#) with our Virtual Finance Office (VFO) team if you would like to know more about PEM's carbon accounting services.

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Expanding the Charities & Non-profit team.



Grace joined the charities & Non-profit team at PEM in July 2025, bringing a wealth of experience from over 13 years working with charities and not-for-profits.

She has previously held roles at Deloitte, BDO, and Sayer Vincent, working with a wide range of organisations across the sector.

At PEM, Grace will be responsible for a portfolio of charity and not-for-profit clients and providing sector-specific insights, training, and technical support to help colleagues and clients navigate the complexities of charity finance and reporting.

Grace will be joining us at our lunch meetings and events so please do come and say hello.

Coming up at PEM.

Financial Challenges and Recovery

When: Thursday 2 October - 12:30pm - 2pm

Where: PEM, Salisbury House, Station Road, Cambridge, CB1 2LA

Join our lunch event hosted by our specialist charities team, featuring guest speaker Phil Reynolds, Administrator for Relate – the national federation of counselling charities.

Phil will share the remarkable story of how he led the successful sale of Relate's operations just before Christmas, safeguarding around 200 jobs, and supporting countless families during the busiest

season for counselling services. His insights into the challenges faced, the warning signs missed, and the lessons learned promise to spark a thought-provoking discussion.

He'll also shed light on current financial pressures in the private school sector, drawing on FRP's latest findings.

This event is a must-attend for anyone involved in or passionate about charity finance. Don't miss the opportunity to gain valuable insights and connect with peers over lunch.

Reserve your place today – spaces are limited.

Future diary dates: We have delayed our Changes to the SORP and Trustees Reporting event until 20 November 2025 in the hope that we will be able to talk about the final version of the SORP, and our Cyber Recap event will be held on the 3 December 2025. Further details and booking for these events will be available shortly.



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