

**communityalliance**  
transformation through community anchors



**DEVELOPMENT  
TRUSTS  
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transforming communities for good



# Income generation & community enterprise



## **Income generation & community enterprise**

### **Changing Funding Environment:**

- **Credit Crunch**
- **Lower Stock Market Returns**
- **Local Authorities move away from grants**
- **Contracts, commissioning and procurement**
- **Capital loans**



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### Changing Operating Environment:

- Community Empowerment Agenda
- Community Asset Transfer
- Quality Assurance
- Increased competition from outside the community sector



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# WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?

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# **WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?**

- PRIMARY PURPOSE AND ANCILLARY TRADE**
- NON-PRIMARY PURPOSE TRADING**
- MIXED TRADING**

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# WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?

- the number and frequency of transactions
- the nature of the goods or services being sold
- the intention of the charity in acquiring the goods which are to be sold

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# WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?

- whether the goods are capable of being used and enjoyed by the charity selling them
- the nature and mechanics of the sales
- the presence or absence of a profit motive.



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# WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?

- INCOME FROM LETTINGS?

## TRADE OR NON-TRADE?



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# WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?

## CHARITIES – FREE TO TRADE?



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# WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?

Tax and charities:

PRIMARY PURPOSE & ANCILLARY TRADING

NON-PRIMARY PURPOSE TRADING

MIXED TRADING



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# **WHAT IS TRADE – CAN COMMUNITY ORGANISATIONS TRADE?**

## **STATUTORY LIMITATIONS TO EXEMPTIONS:**

**Under £20k - £5k**

**£20k - £200k – 25% of total income from all sources**

**Over £200k - £50k**



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**REVIEW IT NOW!**

**BUSINESS AND DEVELOPMENT PLANS**

**Community Profile, local plans and  
regeneration**



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# **REVIEW IT NOW!**

## **BUSINESS AND DEVELOPMENT PLANS**

### **The Four P's**

- **Priorities**
- **Partnerships**
- **Pooling and Collaboration**
- **Projects and Programmes**



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**REVIEW IT NOW!**

**BUSINESS AND DEVELOPMENT PLANS**

**Income and expenditure – cash flow projection and maintenance**

**Rates and hiring policies – are you covering costs and maintenance?**



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**REVIEW IT NOW!**

**BEST STRUCTURE FOR TRADING?**

**Separate Trading Arm – Co. Ltd by  
Guarantee – Gift Aid**

**Tender your own services?**

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Questions, comments contributions?