**File description**

The data herein result from a project funded by ESRC which supported TSRC and the National Council for Voluntary Organisations (NCVO) to capture accounts data for registered charities in England and Wales. The data underpin the NCVO *Almanac Of Civil Society*. They have also been used by ONS in the construction of the national accounts.

The construction of the sample, and the methods used by NCVO to classify the financial data, are described more fully in TSRC working paper 93, which can be accessed [here](https://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-93.pdf).

A degree of familiarity with charity reporting conventions, and with debates about the meaning of information reported in charity accounts, is assumed. Charity Commission data are now available openly [here](http://data.charitycommission.gov.uk/), and an earlier version of a financial history file for individual charities is available via the wider TSRC collection at the UK Data Service.

The purpose of this project was to gather information about the income sources of organisations in an economical manner which would allow estimation of both **proportions** (e.g. what percentage of organisations receive funding of a particular kind) and **amounts** (e.g. how much of the charity sector’s income is derived from fees for services). The particular challenge is that of resolving the ambiguities which appear in charity accounts that sometimes make it very difficult to ascertain exactly where money is coming from and to determine the form that a particular financial flow takes. For this purpose we capture information from the notes to the accounts of charities, which often (albeit to varying degrees) provide further detail – e.g. “income from charitable activities” turns out to include direct payments from a local authority, or “voluntary income” encompasses a significant grant from a foundation.

With an eye to estimating the economic weight of the sector, there is a particular emphasis on large organisations: all registered charities having an income of greater than £100 million in any financial year are captured; some 90% of those within the income range £10 million-£100 million are sampled; thereafter, smaller proportions are sampled and only very small numbers of accounts are captured for small charities with incomes below £25,000.

The sampling strata are defined in relation to the income distribution of charities at the commencement of the financial year in question. This changes over time as some charities grow, shrink or are closed. Hence the calculated weights will differ between years.

Accounts data are accessed via the Charity Commission website through which recent reports and accounts are available for all charities with incomes greater than £25 000. Within each income range, organisations are sampled randomly and if (as is often the case for administrative reasons) a particular charity’s accounts are not available, the next available one in the sample is captured. Data entry is conducted from the notes to charity accounts by experienced staff at the centre for data digitisation and analysis, University of Belfast.

Sampling weights are calculated using inverse probabilities of being sampled – thus, if there are 1000 charities in a particular income range, of which half are sampled, these are assigned a weighting of 2 in the organisation weight (weighting\_orgs). Other weights are calculated by NCVO to allow estimation of the total assets of the sector (weight\_a), total income (weight\_i) and total expenditure (weight\_e). Given the size of the weights calculated in this way for the smaller income ranges, estimates will have a very considerable margin of error. NCVO use these data for estimation of the components of income of small organisations, in Clifford and Mohan (2016) we recommended a focus on the larger organisations (those with annual incomes above £500,000). At this level, accounts are prepared according to more detailed specifications for recommended accounting practice devised by the Charity Commission. Thus there is likely to be greater consistency in the reporting of financial information.

A note is also appropriate regarding the presentation of the data by NCVO in their Almanac. Their focus is not on the total population of registered charities, but on a narrower subset, namely what they describe as “general charities” – that is, organisations which are consistent with the general public’s understanding of charity. The largest single exclusion here is of independent schools, which are significant recipients of charitable funds, as well as charities deemed to be controlled ultimately by a public sector agency (NHS related charities), and other organisations the benefits of whose activities is restricted to a particular class of the population. Data on such organisations is, however, available but given the small numbers of some of them, with the possible exception of independent schools and NHS charities, we do not recommend disaggregated analyses of them.

The data are thus most reliable and robust for general charities with incomes or expenditures greater than £500 000. Regional and subsectoral analyses (we provide the ICNPO categorisation for the latter purpose) are a matter of judgement for the user of the data, bearing in mind their purpose. If you are interested in a broad population of social services charities, especially larger ones, our sampling processes will capture substantial proportions of organisations but sampling fractions for smaller entities, especially for the purposes of comparison between regions, will be very small indeed.

Two further files are provided. The first is a listing of the main non-financial variables contained in the A separate file (“notes on financial classifications” is provided giving a listing of the financial variables in the dataset.

Note that two years of data are provided in this file. Data for 2016-17 will also become available, once NCVO have finished classifying it later in 2018.

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Reference

Clifford, David and Mohan, John (2016) The sources of income of English and Welsh charities: an organisation-level perspective. Voluntas International Journal of Voluntary and Nonprofit Organizations, 487-508. ([doi:10.1007/s11266-015-9628-5](http://dx.doi.org/10.1007/s11266-015-9628-5)).