
STATUTORY INSTRUMENTS

2008 No. 629

The Charities (Accounts and Reports) Regulations 2008

PART 2

FORM AND CONTENT OF STATEMENTS OF ACCOUNT

General

5. The requirements as to the form and content of a statement of accounts of a charity to be prepared under section 42(1) of the 1993 Act are prescribed—

- (a) in the case of an investment fund, in regulation 6;
- (b) in the case of special case charity, in regulation 7;
- (c) in the case of any other charity, in regulation 8.

Form and content of statement of accounts: investment funds

6.—(1) This regulation applies to a statement of accounts prepared by the charity trustees of an investment fund in accordance with section 42(1) of the 1993 Act.

(2) The requirements as to form and content of a statement of accounts to which this regulation applies are prescribed in paragraphs (3) to (8).

(3) Subject to paragraph (4), the statement of accounts must consist of—

- (a) a statement of total return which satisfies the requirements prescribed in Part 1 of Schedule 1;
- (b) a statement of changes in net assets which satisfies the requirements prescribed in Part 2 of Schedule 1; and
- (c) a balance sheet which satisfies the requirements prescribed in Part 3 of Schedule 1.

(4) In the case of any financial year of a common deposit fund in which there are no gains or losses on disposal or revaluation of assets, paragraph (3) has effect as if sub-paragraph (b) were omitted.

(5) The statement of accounts must be prepared in accordance with the methods and principles specified or referred to in Part 4 of Schedule 1.

(6) There must be provided by way of notes to the accounts the information specified in Part 5 of Schedule 1.

(7) The balance sheet must—

- (a) if the scheme or schemes regulating the investment fund allocates responsibility for preparing the accounts to a particular person, be signed and dated by that person;
- (b) in any other case, be signed by at least one of the charity trustees of the investment fund, each of whom has been authorised to do so.

(8) Where the balance sheet of an investment fund is signed by one or more of the charity trustees in accordance with paragraph (7)(b), the balance sheet must specify the date on which the statement of accounts of which the balance sheet forms part was approved by the charity trustees.

Form and content of statement of accounts: special case charities

7.—(1) This regulation applies to a statement of accounts prepared by the charity trustees of a special case charity in accordance with section 42(1) of the 1993 Act.

(2) The requirements as to form and content of a statement of accounts to which this regulation applies are prescribed in paragraphs (3) to (5).

(3) The statement of accounts must consist of—

- (a) an income and expenditure account; and
- (b) a balance sheet showing the state of affairs of the charity as at the end of the relevant financial year.

(4) The statement must be prepared in accordance with the following principles—

- (a) the income and expenditure account must give a true and fair view of the income and expenditure of the charity for the relevant financial year; and
- (b) the balance sheet must give a true and fair view of the state of affairs of the charity at the end of that year.

(5) The balance sheet must—

- (a) be signed by at least one of the charity trustees of the charity, each of whom has been authorised to do so; and
- (b) specify the date on which the statement of accounts of which the balance sheet forms part was approved by the charity trustees.

Form and content of statement of accounts: charities other than investment funds or special case charities

8.—(1) This regulation applies to a statement of accounts prepared by the charity trustees of a charity which is not an investment fund or a special case charity in accordance with section 42(1) of the 1993 Act.

(2) The requirements as to form and content of a statement of accounts to which this regulation applies are prescribed in paragraphs (3) to (11).

(3) The statement of accounts must consist of—

- (a) a statement of financial activities showing the total incoming resources and application of the resources, together with any other movements in the total resources, of the charity during the relevant financial year; and
- (b) a balance sheet showing the state of affairs of the charity as at the end of the relevant financial year.

(4) The statement of accounts must be prepared in accordance with the following principles—

- (a) the statement of financial activities must give a true and fair view of the incoming resources and application of the resources of the charity in the relevant financial year;
- (b) the balance sheet must give a true and fair view of the state of affairs of the charity at the end of the relevant financial year;
- (c) where compliance with paragraphs (5) to (10) would not be sufficient to give a true and fair view as required under sub-paragraph (a) or (b), the additional information necessary to give a true and fair view must be given in the statement of accounts or in notes to the accounts;
- (d) if in special circumstances compliance with any of the requirements of paragraphs (5) to (10) would be inconsistent with giving a true and fair view, the charity trustees must depart from the relevant requirement to the extent necessary to give a true and fair view.

(5) The statement of accounts must be prepared in accordance with the methods and principles set out in the SORP.

(6) Subject to paragraphs (7) to (9), the statement of accounts must, in relation to any amount required to be shown in the statement of financial activities or in the balance sheet for the relevant financial year, show the corresponding amount for the financial year immediately preceding the relevant financial year.

(7) Where a charity has more than one fund, only amounts corresponding to the entries in the statement of financial activities relating to the totals of both or all of the funds of the charity need be shown.

(8) Where the corresponding amount referred to in paragraph (6) is not comparable with the amount to be shown for the item in question in respect of the relevant financial year, the corresponding amount is to be adjusted.

(9) Where—

- (a) the effect of paragraphs (4) and (5) is that there is nothing to be shown in respect of a particular item for the relevant financial year; but
- (b) an amount was required to be shown in respect of that item in the statement of accounts for the financial year immediately preceding the relevant financial year,

paragraphs (4) and (5) have effect as if an amount were required to be shown in the statement of accounts for the relevant financial year, and that amount were nil.

(10) There must be provided by way of notes to the accounts the information specified in Schedule 2.

(11) The balance sheet must—

- (a) be signed by at least one of the charity trustees of the charity, each of whom has been authorised to do so; and
- (b) specify the date on which the statement of accounts of which the balance sheet forms part was approved by the charity trustees.