

## SCHEDULE 2

### TRANSITIONAL AND TRANSITORY PROVISIONS AND SAVINGS

#### PART 1

#### ACCOUNTS AND REPORTS

#### CHAPTER 1

#### NEW EXEMPT CHARITIES

#### **Application of Part 6 of and Schedule 5A to the 1993 Act to new exempt charities in respect of the current and earlier financial years**

1. Part 6 of and Schedule 5A to the 1993 Act (Charity Accounts, Reports and Returns)(1) continue to apply to a new exempt charity in relation to any financial year of the charity which began before the appointed day as if the charity had not become an exempt charity.

#### **Accounts to be prepared under section 46 of the 1993 Act by new exempt charities**

2. Where a new exempt charity is not required by or under the authority of any Act other than the 1993 Act to prepare periodical statements of account, the first statement of account which the charity produces under section 46(1) of the 1993 Act must relate to a period of not more than 15 months beginning on the day immediately following the last day of the current financial year.

#### CHAPTER 2

#### FORMERLY EXEMPT CHARITIES

#### **Accounts to be prepared and retained by formerly exempt charities in respect of current financial years**

3. Subsections (1) and (2) of section 46 of the 1993 Act continue to apply to a formerly exempt charity in relation to—

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(1) Part 6 of the Charities Act 1993 comprises sections 41 to 49A of that Act. Section 41 was amended by the Charities Act 2006, Schedule 8, paragraph 132. Section 42 was amended by the Charities Act 2006, Schedule 8, paragraph 133, by [S.I. 2006/2951](#), Schedule, paragraph 4(q), and by [S.I. 2009/508](#), article 9. Section 43 was amended by [S.I. 2005/1074](#), article 3, by the Charities Act 2006, section 28 and Schedule 8, paragraph 134, by [S.I. 2008/527](#), article 2, by [S.I. 2008/948](#), Schedule 1, paragraphs 17 and 192, and by [S.I. 2009/508](#), article 10. Section 43A was inserted by [S.I. 2005/1074](#), article 3. Section 43A was amended by the Charities Act 2006, Schedule 8, paragraph 135, by the National Health Service (Consequential Provisions) Act 2006 ([c.43](#)), Schedule 1, paragraph 161, and by the Local Government and Public Involvement in Health Act 2007 ([c.28](#)), Schedule 9, paragraph 1, and Schedule 18. Section 43B was inserted by [S.I. 2005/1074](#), article 3. Section 43B was amended by the Charities Act 2006, Schedule 8, paragraph 136 and by the National Health Service (Consequential Provisions) Act 2006, Schedule 1, paragraph 162. Section 44 was amended by the Charities Act 2006, Schedule 8, paragraph 137, by [S.I. 2008/527](#), article 3 and by [S.I. 2008/948](#), Schedule 1, paragraph 192. Section 44A was inserted by the Charities Act 2006, section 29. Section 45 was amended by the Deregulation and Contracting Out Act 1994 ([c.40](#)), section 29, by [S.I. 2005/1074](#), article 3, by the Charities Act 2006, Schedule 7, paragraph 4, and Schedule 8, paragraph 138 (the amendments made by Schedule 7 are not yet in force), by [S.I. 2006/2951](#), Schedule, paragraph 4(t), by [S.I. 2008/527](#), article 4, by [S.I. 2008/948](#), Schedule 1, paragraph 192, and by [S.I. 2009/508](#), article 11. Section 46 was amended by [S.I. 2005/1074](#), article 3 and by the Charities Act 2006, section 29 and Schedule 8, paragraph 139 (some of the amendments made by paragraph 139 are not yet in force). Section 47 was amended by [S.I. 1994/1935](#), Schedule 1, paragraph 7, the Deregulation and Contracting Out Act 1994, Schedule 11, paragraph 12, and Schedule 17, by the Charities Act 2006, Schedule 8, paragraph 140, by [S.I. 2008/527](#), article 5, and by [S.I. 2008/948](#), Schedule 1, paragraph 192. Section 48 was amended by the Deregulation and Contracting Out Act 1994, section 30, by the Charities Act 2006, Schedule 7, paragraph 5, and Schedule 8, paragraph 141 (the amendments made by Schedule 7 are not yet in force) and by [S.I. 2006/2951](#), Schedule, paragraph 4(u). Section 49 was substituted by the Charities Act 2006, Schedule 8, paragraph 142. Section 49A was inserted by the Charities Act 2006, section 30. Schedule 5A to the Charities Act 1993 was inserted by the Charities Act 2006, Schedule 6. Schedule 5A was amended by [S.I. 2008/527](#), article 8 and by [S.I. 2008/948](#), Schedule 1, paragraph 192.

- (a) the current financial year of that charity; and
- (b) the books of accounts and statements of account prepared in respect of any financial year of the charity which began before the appointed day.

**Charity Commission not to request annual reports from certain formerly exempt charities**

4. The Charity Commission may not require, under section 46(5) of the 1993 Act, the charity trustees of a formerly exempt charity to prepare an annual report in respect of the current financial year of the charity.

**Requests for accounts made to formerly exempt charities**

5.—(1) Where a qualifying request is made, the accounts to be treated as the most recent accounts of the formerly exempt charity are the accounts specified in sub-paragraph (2).

(2) The specified accounts are—

- (a) the accounts of the charity most recently audited in pursuance of any statutory or other requirement; or
- (b) if its accounts were not required to be so audited, the accounts most recently prepared in respect of that charity.

(3) In this paragraph, “qualifying request” means a request made under section 47(2) of the 1993 Act for the most recent accounts of a formerly exempt charity at any time before—

- (a) in the case of a formerly exempt charity which is a company, the charity trustees of that charity have prepared an annual report under section 45 of that Act in respect of the financial year of the charity beginning immediately after the current financial year; or
- (b) in any other case, the charity trustees of that charity have prepared—
  - (i) a statement of accounts under section 42(1) of that Act; or
  - (ii) an account and statement under section 42(3) of that Act,

in respect of the financial year of the charity beginning immediately after the current financial year.