

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which extend only to England and Wales, make new provision with respect to the form and content of the accounts of charities and the annual reports of charity trustees for financial years which begin on or after 1 January 2001. They replace provision made by the Charities (Accounts and Reports) Regulations 1995 (S.I.1995/2724) (“the 1995 Regulations”). There is an option for trustees to prepare accounts and reports in accordance with the new provision, rather than the 1995 Regulations, for earlier financial years.

The requirements relating to the audit or examination of charity accounts continue to be set out in the 1995 Regulations, subject to the minor modifications made by regulations 4, 6 and 8.

Regulation 3 prescribes the form and content of statements of accounts prepared by charity trustees under section 42(1) of the Charities Act 1993, and the methods and principles applicable. Regulation 3 and the Schedule prescribe the information to be provided by way of notes to the accounts.

Regulation 5 prescribes the form and content of statements of accounts of registered social landlords and charities conducting higher and further education institutions.

Regulation 7 deals with the annual reports which charity trustees are required to make to the Charity Commissioners.

The Statement of Recommended Practice for Accounting and Reporting by Charities, which is referred to in Regulation 2, may be obtained from the Charity Commission, Harmsworth House, 13-15 Bouverie Street, London EC4Y 8DP, and from its website [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)