

SCHEDULE 2

FORM AND CONTENTS OF STATEMENTS OF ACCOUNTS: INVESTMENT FUNDS

PART IV

METHODS AND PRINCIPLES

1.—(1) The statement of total return shall give a true and fair view of the incoming resources and application of the resources of the investment fund in, and the balance sheet shall give a true and fair view of the state of affairs of the investment fund at the end of, the financial year in respect of which the statement of accounts is prepared.

(2) The statement of movement in funds shall give a true and fair view of the movements in the net assets of the investment fund between their position at the beginning of that year and their position at the end of that year.

(3) Where compliance with Part I, II, III or V of Schedule 2 to these Regulations would not be sufficient to give a true and fair view, the necessary additional information shall be given in the accounts or a note to them.

(4) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the charity trustees shall depart from that provision to the extent necessary to give a true and fair view; particulars of any such departure, the reasons for it and its effect shall be given in a note to the accounts.

2.—(1) In respect of every amount required by paragraph 2 of Part I of Schedule 2 to these Regulations to be shown in the statement of total return, or by paragraph 2 of Part II of that Schedule to be shown in the statement of movement in funds, or by paragraph 2 or, as the case may be, 3 of Part III of that Schedule to be shown in the balance sheet, the corresponding amount for the financial year immediately preceding that to which the statement or balance sheet relates shall also be shown.

(2) Where that corresponding amount is not comparable with the amount to be shown for the item in question in respect of the financial year to which the statement of total return, statement of movement in funds or balance sheet relates, the former amount shall be adjusted; particulars of any material adjustment under this sub-paragraph shall be disclosed in a note to the accounts.

(3) Where in the financial year to which the statement of accounts relates there is nothing required to be shown by one or more of the provisions specified in sub-paragraph (1) above but an amount was required to be shown by that provision in the immediately preceding financial year, this paragraph shall have effect as if such an amount were required to be shown in the financial year to which the statement of accounts relates and that amount were nil.

3. The values at which assets and liabilities of an investment fund are recorded in the balance sheet, and the recognition bases for gains and losses, shall be determined in accordance with the methods and principles set out in the IMA SORP.