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STATUTORY RULES OF NORTHERN IRELAND

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**2015 No. 384**

**CHARITIES**

**The Charities (Accounts and Reports)  
Regulations (Northern Ireland) 2015**

*Made - - - - 30th November 2015*

*Coming into operation 1st January 2016*

The Department for Social Development makes the following Regulations in exercise of the powers conferred by sections 64(1) and (2), 66(1), 68(1) and (2) and 179(5) of, and paragraphs 3(3) to (5), 4(2) and (3), 6(2), 8(3), 10(2) and (3) and 13 of Schedule 6 to, the Charities Act (Northern Ireland) 2008<sup>(1)</sup>.

In accordance with section 179(4) of that Act the Department has consulted such persons or bodies of persons as it considers appropriate.

**PART 1**

**GENERAL**

**Citation and commencement**

**1.**—(1) These Regulations may be cited as the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and, subject to paragraph (2), shall come into operation on 1st January 2016.

(2) In so far as they relate to a common investment fund under section 43 or a common deposit fund under section 44, these Regulations shall come into operation on the day on which, respectively, section 43 or 44 comes into operation.

**Interpretation**

**2.**—(1) In these Regulations—

“the Act” means the Charities Act (Northern Ireland) 2008;

“the Commission” means the Charity Commission for Northern Ireland

“the Companies Act” means the Companies Act 2006<sup>(2)</sup>;

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(1) 2008 c.12 (N.I.)

(2) 2006 c. 46

“charitable subsidiary undertaking” means a subsidiary undertaking that is a charity;

“common deposit fund” means a common deposit fund established by a scheme under section 44;

“common investment fund” has the meaning given by paragraph (2);

“director”—

- (a) in relation to a body corporate whose affairs are managed by its members, means a member of the body corporate;
- (b) in any other case, includes any person occupying the position of a director by whatever name called;

“expenses” includes expenditure and losses;

“FRS 102” means the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council in September 2015<sup>(3)</sup>;

“fund” means particular assets of a charity held on trusts which, as respects the purposes for which those assets are held or the powers of the charity trustees to use or apply those assets, are not identical to the trusts on which other assets of the charity are held;

“general charity” means any charity other than a special case charity or an investment fund;

“grant-aided school” means a grant-aided school within the meaning of the Education and Libraries (Northern Ireland) Order 1986<sup>(4)</sup>;

“income” includes revenue and gains;

“investment fund” means a common deposit fund or a common investment fund;

“non-charitable subsidiary undertaking” means a subsidiary undertaking that is not a charity;

“relevant financial year” means the financial year in respect of which—

- (a) the statement of accounts is prepared;
- (b) the receipt and payments account and statement of assets and liabilities are prepared; or
- (c) group accounts are prepared;

“SORP” has the meaning given in regulation 4;

“special case charity” means a charity which is—

- (a) an institution of further education within the meaning given in Article 2(2) of the Further Education (Northern Ireland) Order 1997<sup>(5)</sup>;
- (b) a higher education institution within the meaning given in Article 30(3) of the Education and Libraries (Northern Ireland) Order 1993<sup>(6)</sup>;
- (c) a housing association which is registered in a register maintained under Article 14 of the Housing (Northern Ireland) Order 1992<sup>(7)</sup>;

“unrestricted fund” means a fund which is to be used, or applied, in any way determined by the charity trustees of a charity for the furtherance of the objects of the charity.

(2) Subject to paragraph (3), “common investment fund” means a common investment fund established by a scheme under section 25 of the Charities Act (Northern Ireland) 1964<sup>(8)</sup> or section 43 of the Act.

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(3) Copies of the Financial Reporting Standard FRS 102 are available from FRC Publications, Lexis House, 30 Farringdon Street, London EC4A 4HH or [www.frc.org.uk](http://www.frc.org.uk)

(4) [S.I. 1986 No. 594 \(N.I. 3\)](#)

(5) [S.I. 1997/1772 \(N.I. 15\)](#)

(6) [S.I. 1993/2810 \(N.I. 12\)](#); the definition of “higher education institution” in Article 30(3) was amended by Article 11(2) of [S.I. 2005/1963 \(N.I. 13\)](#)

(7) [S.I. 1992/1725 \(N.I. 15\)](#)

(8) [1964 c. 33 \(N.I.\)](#); section 25 was amended by paragraph 37 of Schedule 1 to [S.I. 2013/1773](#)

(3) A fund is not a “common investment fund” for the purposes of these Regulations if its trusts provide for property to be transferred to that fund only by or on behalf of a participating charity of which the charity trustees are the trustees appointed to manage the fund.

(4) Where the scheme or schemes regulating an investment fund allocates responsibility for the exercise of a function of a charity trustee to a particular person, “charity trustees”, in relation to that investment fund, includes the person to whom the relevant function has been allocated.

(5) For the purposes of these Regulations and notwithstanding section 39(2) of the Interpretation Act (Northern Ireland) 1954<sup>(9)</sup>, where a period of time is expressed to begin on, or to be reckoned from, a particular day, that day shall be included in the period.

(6) In these Regulations, unless the context otherwise requires, any reference to a numbered section or Schedule is a reference to the section or, as the case may be, Schedule bearing that number in the Act.

### **Financial year of a charity which is not a company**

**3.—**(1) The financial year of a charity which is not a company (“relevant charity”) is, for the purposes of the Act and regulations made under the Act, to be determined in accordance with this regulation.

(2) The first financial year of a relevant charity is the period beginning with the day on which the charity is established and ending with—

- (a) its accounting reference date; or
- (b) such other date, not more than seven days before or after the accounting reference date, as the charity trustees may determine.

(3) Subsequent financial years of a relevant charity—

- (a) begin with the day immediately following the last day of the charity’s previous financial year; and
- (b) end with—
  - (i) its accounting reference date; or
  - (ii) such other date, not more than seven days before or after the accounting reference date, as the charity trustees may determine.

(4) For the purposes of this regulation, the “accounting reference date” of a relevant charity is—

- (a) in relation to the first financial year of the charity, such date not more than 18 months after the date on which the charity was established as the charity trustees may determine;
- (b) in relation to a subsequent financial year of the charity—
  - (i) the date 12 months after the previous accounting reference date of the charity; or
  - (ii) such other date, not more than 18 months after the previous accounting reference date of the charity as the charity trustees may determine.

(5) Subject to paragraph (7), the charity trustees may specify a new accounting reference date of the charity, having effect in relation to—

- (a) the charity’s current financial year and subsequent financial years; and
- (b) the charity’s previous financial year and subsequent financial years.

(6) The “previous financial year” of a charity means that immediately preceding the current financial year.

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(9) 1954 c. 33 (N.I.)

(7) A charity must not specify a new accounting reference date more than once in any three year period without the consent of the Commission.

## The SORP

### 4. The SORP is—

- (a) in relation to an investment fund, the current version of the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association **(10)**;
- (b) in relation to a charity which falls within paragraph (a) or (b) of the definition of “special case charity” (in regulation 2(1)), the current version of the Statement of Recommended Practice: Accounting for further and higher education issued by the Further and Higher Education SORP Board **(11)**;
- (c) in relation to a charity which falls within paragraph (c) the definition of “special case charity”, the current version of the Housing SORP: Statement of Recommended Practice for registered social housing providers issued by the National Housing Association **(12)**;
- (d) in relation to a general charity, the current version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator **(13)**.

## Application

**5.**—(1) Subject to paragraphs (2) to (4), these Regulations apply in respect of a financial year of a charity which begins on or after 1st January 2016.

(2) Nothing in these Regulations applies in respect of a financial year of a charity which began before its registration in the register.

(3) Parts 2 to 4 do not apply to a charity which is a grant-aided school;

(4) Parts 2 and 3 do not apply to a charity which is—

- (a) a body to which Article 91 of the Health and Personal Social Services (Northern Ireland) Order 1972 **(14)** applies;
- (b) the governing body of an institution of further education (within the meaning given in Article 2(2) of the Further Education (Northern Ireland) Order 1997).

## Grant-aided schools

**6.** The charity trustees of a charity which is a grant-aided school must prepare consecutive statements of account consisting on each occasion of—

- (a) an income and expenditure account relating to a period of not more than 15 months; and

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**(10)** Copies of the Statement of Recommended Practice for Financial Statements of UK Authorised Funds are available from the Investment Association, 65 Kingsway, London WC2B 6TD or [www.theinvestmentassociation.org](http://www.theinvestmentassociation.org)

**(11)** Copies of the Statement of Recommended Practice: Accounting for further and higher education are available from Universities UK, Woburn House, 20 Tavistock Square, London WC1H 9HQ or [www.fehesorp.ac.uk](http://www.fehesorp.ac.uk)

**(12)** Copies of the Housing SORP Statement of Recommended Practice for registered social housing providers are available from the National Housing Federation, Lion Court, 25 Procter Street, London WC1V 6NY or [www.housing.org.uk.uk](http://www.housing.org.uk.uk)

**(13)** Copies of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) are available from [www.charitySORP.org](http://www.charitySORP.org) and [www.cipfa.org](http://www.cipfa.org)

**(14)** *S.I. 1972/1265 (N.I. 14)*; Article 91 was substituted by Article 6 of *S.I. 2003/418 (N.I. 5)* and amended by paragraph 1(1)(a) and (d) of Schedule 6 to the Health and Social Care (Reform) Act (Northern Ireland) 2009 (c. 1) (N.I.)

- (b) a balance sheet relating to the end of that period.

## PART 2

### FORM AND CONTENTS OF STATEMENTS OF ACCOUNTS

#### General

7. The requirements as to the form and contents of a statement of accounts of a charity to be prepared under section 64(1) are prescribed—

- (a) in the case of a general charity, in regulation 8;
- (b) in the case of a special case charity, in regulation 9;
- (c) in the case of an investment fund, in regulation 10.

#### Form and contents of statement of accounts: general charities

8.—(1) This regulation applies to a statement of accounts prepared by the charity trustees of a general charity in accordance with section 64(1).

(2) The statement of accounts must consist of—

- (a) a statement of financial activities showing the total incoming resources and expenditure of resources of the charity during the relevant financial year;
- (b) a balance sheet showing the state of affairs of the charity as at the end of the relevant financial year;
- (c) a statement of cash flows, if appropriate; and
- (d) notes to the accounts in accordance with paragraph (7).

(3) 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 total incoming resources and expenditure of 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 (4) to (6) 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 (4) to (7) 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.

(4) The statement of accounts must be prepared in accordance with the methods and principles set out in FRS 102 and the SORP.

(5) Subject to paragraph (6), 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.

(6) Where a charity has more than one fund, disclosure is subject to paragraph (4).

(7) The notes to the accounts must—

- (a) state the measurement basis (or bases) used in preparing the accounts and the accounting policies adopted by the charity trustees for the preparation of the statement of accounts;
  - (b) disclose any information required to be disclosed by FRS 102 or the SORP, to the extent not already disclosed in the other documents comprising the statement of accounts;
  - (c) state whether the statement of accounts has been prepared in accordance with FRS 102 and the SORP and give particulars of any material departure from those standards and statement of recommended practice together with the reason for any such departure; and
  - (d) include any additional information which may reasonably assist the user to understand the statement of accounts.
- (8) 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 contents of statement of accounts: special case charities**

**9.—**(1) Regulation 8(2) to (8) applies to a statement of accounts prepared by the charity trustees of a special case charity in accordance with section 64(1) with the following modifications.

- (2) For “statement of financial activities” substitute “statement of income and expenditure”.
- (3) In regulation 8(5) omit “Subject to paragraph (6),”.
- (4) Omit regulation 8(6).

#### **Form and contents of statement of accounts: investment funds**

**10.—**(1) This regulation applies to a statement of accounts prepared by the charity trustees of an investment fund in accordance with section 64(1).

- (2) Subject to paragraph (3), the statement of accounts must consist of—
  - (a) a statement of total return showing—
    - (i) gross income, the net gain or loss on investments, total expenditure and the net return of the investment fund;
    - (ii) the total amount distributed or due, including interest paid or payable, to participating charities out of the investment fund, during the relevant financial year;
    - (iii) in the case of a common investment fund, the change in the fund’s net assets attributable to the respective participants in the fund;
    - (iv) in the case of a common deposit fund, the change in the amounts accumulated out of revenue and held by the fund for the benefit of the depositors of the fund;
  - (b) a balance sheet showing the state of affairs of the investment fund at the end of the relevant financial year;
  - (c) a statement of changes in net assets of the investment fund providing a reconciliation between—
    - (i) the net assets of the investment fund at the beginning of the relevant financial year; and
    - (ii) the net assets of the investment fund at the end of that year; and
  - (d) notes to the accounts in accordance with paragraph (8).

(3) 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 (2) has effect as if sub-paragraph (c) were omitted.

(4) The statement of changes in net assets must give a true and fair view of the movements in the net assets of the investment fund between their position at the beginning of the relevant financial year and their position at the end of the year.

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

- (a) the statement of total return must give a true and fair view of the income and expenses of the investment fund in the relevant financial year;
- (b) the balance sheet must give a true and fair view of the state of affairs of the investment fund at the end of the relevant financial year;
- (c) where compliance with paragraphs (6) and (7) 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 (6) to (8) 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.

(6) The statement of accounts must be prepared in accordance with the methods and principles set out in FRS 102 and the SORP.

(7) The statement of accounts must, in relation to any amount required to be shown in the statement of total return or in the balance sheet for the relevant financial year, show the corresponding amount for the financial year immediately preceding the relevant financial year.

(8) The notes to the accounts must—

- (a) state the measurement basis (or bases) used in preparing the accounts and the accounting policies adopted for the preparation of the statement of accounts;
- (b) disclose any information required to be disclosed by FRS 102 or the SORP, to the extent not already disclosed in the other documents comprising the statement of accounts;
- (c) state whether the statement of accounts has been prepared in accordance with FRS 102 and the SORP and give particulars of any material departure from those standards and statement of recommended practice together with the reason for any such departure; and
- (d) include any additional information which may reasonably assist the user to understand the statement of accounts.

(9) 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.

(10) Where the balance sheet of an investment fund is signed by one or more of the charity trustees in accordance with paragraph (9)(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.

## PART 3

### PREPARATION OF GROUP ACCOUNTS

#### CHAPTER 1

#### GENERAL

#### **Meaning of “aggregate gross income”**

**11.**—(1) For the purposes of Schedule 6 the aggregate gross income for a financial year of a group consisting of a parent charity and its subsidiary undertaking or undertakings is to be determined by eliminating all group transactions for that year from the group income for that year.

(2) For the purposes of this regulation—

- (a) “corresponding financial year” has the meaning given by paragraph (3);
- (b) “gross income” means, in relation to a non-charitable subsidiary undertaking, the amount of income of that undertaking that would be construed as its gross income were it a charity;
- (c) “group income” means the aggregate of—
  - (i) the gross income of the parent charity for the financial year;
  - (ii) the gross income of each charitable subsidiary undertaking of that parent charity for the corresponding financial year; and
  - (iii) the gross income of each non-charitable subsidiary undertaking of that parent charity for the corresponding financial year;
- (d) “group transactions” means—
  - (i) all income and expenditure relating to transactions between members of the group;
  - (ii) all gains and losses relating to transactions between members of the group;
- (e) “members of the group” is to be construed in accordance with paragraph 1(5) of Schedule 6.

(3) Subject to paragraph (4), “corresponding financial year” in relation to a subsidiary undertaking means—

- (a) in the case of a subsidiary undertaking whose financial year ends with that of the parent charity, that year;
- (b) in any other case, the financial year of the subsidiary undertaking ending immediately before the end of the financial year of the parent charity.

(4) If the figures for the corresponding financial year of a subsidiary undertaking cannot be obtained without disproportionate expense or undue delay, the latest available figures from the accounting records of the subsidiary undertaking for the same financial year as that of the parent charity are to be taken.

#### **Financial years of subsidiary undertakings**

**12.**—(1) For the purposes of Schedule 6 the financial years of subsidiary undertakings are to be determined in accordance with this regulation.

(2) The financial year of a charitable subsidiary undertaking is to be determined in accordance with section 180(1)(15).

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(15) The definition of “financial year” in section 180(1) was amended by paragraph 26(3) of Schedule 1 to the Charities Act (Northern Ireland) 2013 (c. 3 (N.I.))



(3) The financial year of a non-charitable subsidiary undertaking is a period in respect of which a profit and loss account of the undertaking is required to be made up (by its constitution or by the law under which it is established), whether that period is a year or not.

### **Requirement for financial years of a parent charity and its subsidiary undertakings to coincide**

13. The charity trustees of a parent charity must secure that, except where in their opinion there are good reasons against it, the financial year of each of its subsidiary undertakings coincides with its own financial year.

## **CHAPTER 2**

### **FORM AND CONTENTS OF GROUP ACCOUNTS**

#### **Form and contents of group accounts: general**

14.—(1) The requirements as to the form and contents of group accounts to be prepared under paragraph 3(3)(b) of Schedule 6 are prescribed in this regulation and regulation 15.

(2) In the case of a parent charity that is a general charity, the group accounts must comply with regulation 8 as if the undertakings included in the group were a single charity.

(3) In the case of a parent charity that is a special case charity, the group accounts must comply with regulation 9 as if the undertakings included in the group were a single charity.

(4) In the case of a parent charity that is an investment fund, the group accounts must comply with regulation 10 as if the undertakings included in the group were a single charity.

#### **Form and contents of group accounts: general requirements**

15.—(1) In addition to complying with regulation 14, the group accounts prepared by the charity trustees of any parent charity to be prepared under paragraph 3(3)(b) of Schedule 6 must comply with the requirements prescribed in this regulation.

(2) The group accounts must be prepared in accordance with the methods and principles set out in FRS 102 and the SORP.

(3) The group accounts must incorporate in full the information contained in the individual accounts of the parent charity and its relevant subsidiary undertakings, subject to such consolidation adjustments, if any, as may be appropriate in accordance with FRS 102.

(4) In this regulation, “relevant subsidiary undertaking” means a subsidiary undertaking of the parent charity which is not excluded under regulation 17 from the group accounts required to be prepared for the parent financial year.

## **CHAPTER 3**

### **EXCEPTIONS TO THE REQUIREMENT TO PREPARE GROUP ACCOUNTS**

#### **Exceptions relating to requirement to prepare group accounts: specified sum**

16. The sum specified for the purposes of paragraph 4(2) of Schedule 6 is £500,000.

#### **Exceptions relating to requirement to prepare group accounts: subsidiary undertaking**

17. A subsidiary undertaking may be excluded under paragraph 4(3) of Schedule 6 from group accounts required to be prepared where such exclusion is permitted by the SORP applicable to the parent charity and FRS 102.

## PART 4

### SCRUTINY OF ACCOUNTS

#### CHAPTER 1

#### GENERAL

##### **Duties of auditors: general**

- 18.** The duties of an auditor carrying out an audit of—
- (a) the accounts of a charity under section 65(2) or (3)(b) are specified—
    - (i) where the auditor is carrying out an audit of a statement of accounts prepared under section 64(1), in regulation 20;
    - (ii) where the auditor is carrying out an audit of individual accounts of a company that is a charity prepared under Part 15 of the Companies Act, in regulation 21;
    - (iii) where the auditor is carrying out an audit of a receipts and payments account and a statement of assets and liabilities prepared under section 64(3), in regulation 22;
  - (b) the group accounts of a parent charity under paragraph 6 of Schedule 6 are specified in regulation 24.

##### **Duties of examiners: general**

- 19.** The duties of an independent examiner with respect to the making of a report in respect of an examination carried out by the examiner under section 65(3)(a) are specified in regulation 25.

#### CHAPTER 2

#### AUDIT OF INDIVIDUAL CHARITY ACCOUNTS

##### **Duties of auditors: audit of a statement of accounts prepared under section 64(1)**

**20.—**(1) Where a statement of accounts has been prepared under section 64(1) for the relevant financial year, the auditor carrying out the audit of those accounts under section 65(2) must make a report on that statement to the charity trustees which—

- (a) states the name and address of the auditor and the name of the charity concerned;
- (b) is signed by the auditor or, where the office of auditor is held by a body corporate or partnership, in its name by a person authorised to sign on its behalf;
- (c) is dated and specifies the financial year in respect of which the accounts to which it relates have been prepared;
- (d) specifies that it is a report in respect of an audit carried out under section 65(2);
- (e) states whether in the auditor's opinion the statement of accounts complies with the requirements of regulation 8, 9 or 10, as applicable, and in particular whether—
  - (i) the balance sheet gives a true and fair view of the state of affairs of the charity at the end of the relevant financial year; and
  - (ii) the true and fair view requirements specified in paragraph (2) are satisfied;
- (f) where the auditor has formed the opinion that—
  - (i) accounting records have not been kept in respect of the charity in accordance with section 63(1) and (2);
  - (ii) the statement of accounts does not accord with those records;

(iii) any information contained in the statement of accounts is inconsistent in any material respect with any report of the charity trustees prepared under section 68 in respect of the relevant financial year; or

(iv) any information or explanation to which the auditor is entitled under regulation 26 has not been afforded to the auditor,

contains a statement of that opinion and of the grounds for forming it.

(2) The true and fair view requirements specified for the purposes of sub-paragraph (e)(ii) of paragraph (1) are that—

(a) in the case of a general charity, the statement of financial activities gives a true and fair view of the total incoming resources and expenditure of resources of the charity in the relevant financial year;

(b) in the case of a special case charity, the statement of income and expenditure gives a true and fair view of the income and expenses of the charity in the relevant financial year;

(c) in the case of an investment fund, the statement of total return gives a true and fair view of the net revenue and net capital gains or losses of the investment fund in the relevant financial year.

(3) The auditor must, in preparing the auditor's report, carry out such investigations as will enable the auditor to form an opinion as to the matters specified in sub-paragraphs (e) and (f) of paragraph (1).

#### **Duties of auditor: audit of accounts prepared under Part 15 of the Companies Act**

**21.**—(1) Where individual accounts have been prepared by the charity trustees of a charity which is a company under Part 15 of the Companies Act, the auditor carrying out the audit of those accounts under section 65(2) or (3)(b) must make a report on the accounts to the charity trustees which—

(a) states the name and address of the auditor and the name of the charity concerned;

(b) is signed by the auditor or, where the office of auditor is held by a body corporate or partnership, in its name by a person authorised to sign on its behalf;

(c) is dated and specifies the financial year in respect of which the accounts to which it relates have been prepared;

(d) specifies that it is a report in respect of an audit carried out under section 65(2) or (3)(b), as applicable;

(e) states whether in the auditor's opinion—

(i) the individual accounts comply with the requirements of section 396(16) of the Companies Act and in particular whether—

(aa) the income and expenditure account gives a true and fair view of the income and expenses of the charity for the relevant financial year; and

(bb) the balance sheet gives a true and fair view of the state of affairs of the charity at the end of that year;

(ii) in any case where the charity has prepared a statement of financial activities in addition to complying with the requirements of the Companies Act, that statement gives a true and fair view of the charity's total incoming resources and expenditure of resources in the relevant financial year;

- (iii) in any case where the accounts state that they have been prepared in accordance with the methods and principles in the SORP, those methods and principles have been followed;
- (f) where the auditor has formed the opinion that—
  - (i) accounting records have not been kept in respect of the charity in accordance with section 386 of the Companies Act;
  - (ii) the individual accounts do not accord with those records;
  - (iii) any information contained in the individual accounts is inconsistent in any material respect with any report of the charity trustees prepared under section 68 in respect of the relevant financial year; or
  - (iv) any information or explanation to which the auditor is entitled under regulation 26 has not been afforded to the auditor,
 contains a statement of that opinion and of the grounds for forming it.
- (2) The auditor must, in preparing the auditor's report, carry out such investigations as will enable the auditor to form an opinion as to the matters specified in sub-paragraphs (e) and (f) of paragraph (1).
- (3) In this regulation "individual accounts" has the meaning in section 394(17) of the Companies Act.

**Duties of auditors: audit of a receipts and payments account and a statement of assets and liabilities prepared under section 64(3)**

- 22.—**(1) Where a receipts and payments account and a statement of assets and liabilities has been prepared under section 64(3), the auditor carrying out the audit of that account and statement under section 65(3)(b) must make a report on the account and statement to the charity trustees which—
- (a) states the name and address of the auditor and the name of the charity concerned;
  - (b) is signed by the auditor or, where the office of auditor is held by a body corporate or partnership, in its name by a person authorised to sign on its behalf;
  - (c) is dated and specifies the financial year in respect of which the account and statement to which it relates have been prepared;
  - (d) specifies that it is a report in respect of an audit carried out under section 65(3)(b);
  - (e) states whether in the auditor's opinion—
    - (i) the account and statement properly present—
      - (aa) the receipts and payments of the charity for the relevant financial year; and
      - (bb) its assets and liabilities at the end of that year;
    - (ii) the account and statement adequately distinguish any material special trust or other fund of the charity other than an unrestricted fund;
  - (f) where the auditor has formed the opinion that—
    - (i) accounting records have not been kept in respect of the charity in accordance with section 63(1) and (2);
    - (ii) the account and statement do not accord with those records;
    - (iii) any information contained in the account and statement is inconsistent in any material respect with any report of the charity trustees prepared under section 68 in respect of the relevant financial year; or

- (iv) any information or explanation to which the auditor is entitled under regulation 26 has not been afforded to the auditor,

contains a statement of that opinion and of the grounds for forming it.

(2) The auditor must, in preparing the auditor's report, carry out such investigations as will enable the auditor to form an opinion as to the matters specified in sub-paragraphs (e) and (f) of paragraph (1).

## CHAPTER 3

### AUDIT OF GROUP ACCOUNTS

#### **Audit of accounts of larger groups**

**23.** The sum prescribed as the relevant income threshold for the purpose of paragraph 6(2)(a) of Schedule 6 is £500,000.

#### **Duties of auditors carrying out an audit of group accounts under paragraph 6 of Schedule 6**

**24.**—(1) Where group accounts prepared under paragraph 3(2) of Schedule 6 are required to be audited under paragraph 6 of that Schedule, the auditor carrying out the audit of those accounts under paragraph 6 of Schedule 6 must make a report on the accounts to the charity trustees which—

- (a) states the name and address of the auditor and the name of the charity concerned;
- (b) is signed by the auditor or, where the office of auditor is held by a body corporate or partnership, in its name by a person authorised to sign on its behalf;
- (c) is dated and specifies the financial year in respect of which the group accounts to which it relates have been prepared;
- (d) specifies that it is a report in respect of an audit carried out under paragraph 6 of Schedule 6;
- (e) states whether in the auditor's opinion the statement of accounts complies with the requirements of paragraph (2), (3) or (4) of regulation 14, as applicable, and in particular whether—
  - (i) the consolidated balance sheet gives a true and fair view of the state of affairs of the parent charity and its subsidiary undertakings at the end of the relevant financial year; and
  - (ii) the true and fair view requirements specified in paragraph (2) are satisfied;
- (f) where the auditor has formed the opinion that—
  - (i) adequate accounting records have not been kept to ensure group accounts can be prepared under paragraph 3(2) of Schedule 6;
  - (ii) the group accounts do not accord with those records; or
  - (iii) the annual report prepared under section 68 or, in the case of a company, the directors' report prepared under section 415(18) of the Companies Act, is inconsistent with the group accounts in respect of the relevant financial year,

contains a statement of that opinion and of the grounds for forming it.

(2) The true and fair view requirements specified for the purposes of sub-paragraph (e)(ii) of paragraph (1) are that—

- (a) in the case of a parent charity that is a general charity to which regulation 14(2) applies, the consolidated statement of financial activities gives a true and fair view of the total

incoming resources and expenditure of resources of the parent charity and its subsidiary undertakings as a whole for the relevant financial year;

- (b) in the case of a parent charity that is a special case charity to which regulation 14(3) applies, the consolidated statement of income and expenditure gives a true and fair view of the income and expenses of the parent charity and its subsidiary undertakings as a whole for the relevant financial year;
- (c) in the case of a parent charity that is an investment fund to which regulation 14(4) applies, the consolidated statement of total return gives a true and fair view of the net revenue and net capital gains or losses of the parent charity and its subsidiary undertakings as a whole for the relevant financial year.

(3) The auditor must, in preparing the auditor's report, carry out such investigations as will enable the auditor to form an opinion as to the matters specified in sub-paragraphs (e) and (f) of paragraph (1).

## CHAPTER 4

### INDEPENDENT EXAMINATION OF INDIVIDUAL CHARITY ACCOUNTS

#### **Independent examination of individual charity accounts**

**25.** An independent examiner who has carried out an examination of the accounts of a charity under section 65(3)(a) must make a report to the charity trustees which—

- (a) states the name and address of the examiner and the name of the charity concerned;
- (b) is signed by the examiner;
- (c) is dated and specifies the financial year in respect of which the accounts to which it relates have been prepared;
- (d) if the gross income of the charity in that year exceeds the sum specified in section 65(4), specifies the basis on which the examiner qualifies to act as independent examiner in accordance with that section;
- (e) states any, or any other, relevant professional qualifications or professional body of which the examiner is a member;
- (f) where the accounts are being examined in the circumstances specified in regulation 27(3), states the date when the Commission dispensed with the requirements of section 65(3)(a);
- (g) specifies that it is a report in respect of an examination carried out under 65(3)(a) and in accordance with any directions given by the Commission under subsection (9) of that section which are applicable;
- (h) states whether or not any matter has come to the examiner's attention in connection with the examination which gives the examiner reasonable cause to believe that in any material respect—
  - (i) accounting records have not been kept in respect of the charity in accordance with—
    - (aa) where that charity is a company, section 386 of the Companies Act;
    - (bb) in any other case, section 63(1) and (2);
  - (ii) the accounts do not accord with those records;
  - (iii) in the case of an examination of a statement of accounts which has been prepared under 64(1), the statement of accounts does not comply with any of the requirements of regulation 8, 9 or 10, as applicable, other than any requirement to give a true and fair view;

- (iv) in the case of the examination of the accounts prepared under Part 15 of the Companies Act, the charity's accounts—
  - (aa) do not comply with the requirements of section 396 of the Companies Act other than any requirement to give a true and fair view;
  - (bb) in any case where those accounts state they have been prepared in accordance with the SORP, have not in fact been prepared in accordance with the methods and principles set out in the SORP;
- (i) states whether or not any matter has come to the examiner's attention in connection with the examination to which, in the examiner's opinion, attention should be drawn in the report in order to enable a proper understanding of the accounts to be reached;
- (j) contains a statement as to any of the following matters that have become apparent to the examiner during the course of the examination, namely, that—
  - (i) there has been any material expenditure or action which appears not to be in accordance with the trusts of the charity;
  - (ii) any information or explanation to which the examiner is entitled under regulation 26 has not been afforded to the examiner;
  - (iii) in the case of an examination of a statement of accounts which has been prepared under section 64(1), any information contained in the statement of accounts is inconsistent in any material respect with any report of the charity trustees prepared under section 68 in respect of the financial year in question;
  - (iv) in the case of an examination of accounts prepared under Part 15 of the Companies Act, any information contained in the accounts is inconsistent in any material respect with any report of the charity trustees prepared under section 68 of the Act or the report prepared under section 415 of the Companies Act in respect of the financial year in question.

## CHAPTER 5

### MISCELLANEOUS

#### **Audit and independent examination: supplementary provisions**

**26.**—(1) Any person carrying out an audit or examination of the accounts of a charity under section 65(2), (3) or (6), or paragraph 6 or 7 of Schedule 6, has a right of access to any books, documents and other records (however kept) which relate to the charity concerned and which the person concerned considers it necessary to inspect for the purpose of carrying out the audit or examination.

(2) Such a person is entitled to require, in the case of the charity concerned, such information and explanations from past or present charity trustees of, or trustees for, the charity, or from past or present officers or employees of the charity, as the person considers it necessary to obtain for the purposes of carrying out the audit or examination.

(3) Where an auditor is carrying out an audit of the group accounts of a parent charity under paragraph 6 or 7 of Schedule 6, the auditor also has—

- (a) the right of access in paragraph (1), modified so that the undertakings included in the group are treated as a single charity;
- (b) the right to require the information and explanations in paragraph (2), modified so that the undertakings included in the group are treated as a single charity;

- (c) a right of access to any books, documents and other records (however kept) which relate to any of the subsidiary undertakings included in group accounts and which the auditor considers it necessary to inspect for the purpose of carrying out the audit;
  - (d) the right to require, in the case of any such subsidiary undertaking, such information and explanations—
    - (i) in the case of a subsidiary undertaking which is a charity, from past or present charity trustees of, or trustees for, that charity;
    - (ii) in the case of any subsidiary undertaking which is not a charity, from the subsidiary undertaking itself and from past or present officers or employees of that undertaking, as the auditor considers it necessary to obtain for the purposes of carrying out the audit;
  - (e) the right to require the charity trustees of the parent charity to take all such steps as are reasonably open to them to obtain from any such subsidiary undertaking such information and explanations as the auditor may reasonably require for the purposes of carrying out the audit.
- (4) For the purposes of this regulation, “officer” includes any auditor or other person appointed to scrutinise the accounts of the parent charity or any subsidiary undertaking.

### **Dispensations from audit or examination requirements**

- 27.—(1) The Commission may—
- (a) in the circumstances specified in paragraph (2), dispense with the requirements of section 65(2) or (3) in the case of a particular charity;
  - (b) in the circumstances specified in paragraph (3), dispense with those requirements in respect of a particular financial year of a charity;
  - (c) in the circumstances specified in paragraph (4), dispense with the requirements in paragraph 6(4) or 7(2) of Schedule 6 in the case of a particular charity.
- (2) The circumstances specified for the purposes of paragraph (1)(a) are where the Commission is satisfied that the accounts of the charity concerned—
- (a) are required to be audited in accordance with any statutory provision which imposes requirements which, in the opinion of the Commission, are sufficiently similar to the requirements of section 65(2) for those requirements to be dispensed with; or
  - (b) have been audited by the Comptroller and Auditor General.
- (3) The circumstances specified for the purposes of paragraph (1)(b) are where the Commission considers that, although the financial year in question of the charity concerned is one to which section 65(2) or (3) applies, there are exceptional circumstances which justify the examination of the accounts by an independent examiner instead of their audit in accordance with the relevant subsection.
- (4) The circumstances specified for the purposes of paragraph (1)(c) are where the Commission is satisfied that the group accounts of the parent charity concerned—
- (a) are required to be audited in accordance with any statutory provision which imposes requirements which, in the opinion of the Commission, are sufficiently similar to the requirements of paragraph 6(4) of Schedule 6 for those requirements to be dispensed with; or
  - (b) have been audited by the Comptroller and Auditor General.
- (5) The Commission must make it a condition of a dispensation granted under this regulation that the charity trustees send to the Commission any report made to the trustees with respect to the accounts of that charity for the relevant financial year of which it requests a copy.



(6) The Commission must make it a condition of a dispensation granted under paragraph (3) that the charity trustees comply with the requirements of section 65(2) or (3), as applicable, as if they were able to make and had in fact made an election under the relevant section that the accounts of the charity for the relevant financial year be examined by an independent examiner.

(7) The Commission may revoke a dispensation granted under this regulation if the charity trustees fail to comply with a condition imposed under paragraph (5) or (6).

### **Auditors appointed by the Commission**

**28.** In the case of an auditor appointed by the Commission, any report required by any of the provisions of this Part to be made to the charity trustees must instead be made to the Commission.

## **PART 5**

### **ANNUAL REPORTS**

#### **General**

**29.—**(1) The report and information to be contained in the annual report prepared by the charity trustees of a charity are prescribed—

- (a) in the case of a non-parent investment fund, in regulation 30;
- (b) in the case of a parent investment fund, in regulation 31.
- (c) in the case of a non-parent charity which elects to prepare a receipts and payments account and a statement of assets and liabilities, or a charity which is a grant-aided school, in regulation 32;
- (d) in the case of a non-parent charity which prepares a statement of accounts, or in the case of a non-parent charity which is a company, in regulation 33;
- (e) in the case of a qualifying parent charity, in regulation 34.

(2) In this Part—

- (a) “non-parent charity” means a charity—
  - (i) which is not an investment fund; and—
  - (ii) is—
    - (aa) not a parent charity; or
    - (bb) a parent charity but the charity trustees are not required to prepare group accounts in respect of the financial year to which the annual report relates;
- (b) “non-parent investment fund” means an investment fund which—
  - (i) is not a parent charity; or
  - (ii) is a parent charity but the charity trustees are not required to prepare group accounts in respect of the financial year to which the annual report relates;
- (c) “parent investment fund” means an investment fund—
  - (i) which is a parent charity; and
  - (ii) the charity trustees of which are required to prepare group accounts in respect of the financial year to which the annual report relates;
- (d) “qualifying parent charity” means a charity—
  - (i) which is not an investment fund; and

- (ii) the charity trustees of which are required to prepare group accounts in respect of the financial year to which the annual report relates.

### **Annual reports: non-parent investment fund**

**30.**—(1) This regulation applies to the annual report prepared under section 68(1) by the charity trustees of a non-parent investment fund.

(2) The report on the activities of the investment fund during the year which is required to be contained in the annual report must—

- (a) specify the financial year to which it relates;
- (b) provide an overview of the investment activities during the financial year;
- (c) provide an overview of the investment portfolio held at the end of the financial year;
- (d) provide a fair and balanced review of the activities and performance of the fund during the financial year and a description of the principal risks and investment or economic uncertainties faced by the fund;
- (e) provide any other significant information, including any material changes to the investment strategy or objectives of the fund, which the charity trustees consider would assist charities participating in the investment fund to make an informed judgement on the suitability to the charity of the investment fund as an investment for the charity;
- (f) contain a statement as to the steps (if any) taken to consider whether any person to whom functions in respect of the management of the investment fund has been delegated has complied with the terms of the delegation; and
- (g) be signed—
  - (i) if the scheme or schemes regulating the investment fund allocates responsibility for preparing the report to a particular person, by that person;
  - (ii) in any other case, by at least one of the charity trustees of the investment fund, each of whom has been authorised to do so.

(3) The information relating to an investment fund and to its trustees and officers which is required to be contained in the annual report is—

- (a) the name of the investment fund as it appears in the register and any other name by which it makes itself known;
- (b) the number assigned to the investment fund in the register;
- (c) the principal address of the investment fund;
- (d) particulars, including the date, of any scheme or schemes containing provisions which regulate the purposes and administration of the investment fund;
- (e) the name of any person entitled under any such scheme or schemes to appoint any charity trustee of the investment fund, and a description of the method provided by any such scheme or schemes for such appointment;
- (f) a description of the objects of the investment fund;
- (g) a description of the organisational structure of the investment fund;
- (h) particulars of the policies and practices adopted in relation to the remuneration of any charity trustee, any employee or fund manager of the investment fund;
- (i) the name of any charity trustee of the investment fund, on the date of the signature of the report, where paragraph (2)(g)(i) applies, and otherwise on the date when the authorisation referred to in paragraph (2)(g)(ii) is given, and, where any such person is a body corporate, the name of any person who is a director of the body corporate on that date;

- (j) the professional qualifications of any individual person referred to in sub-paragraphs (e) or (i);
- (k) the name of any other person who has, at any time during the financial year in question, been a charity trustee of the investment fund;
- (l) the name of any person who is, in relation to the investment fund, a trustee for the charity on the relevant date referred to in sub-paragraph (i);
- (m) the name of any other person who has, at any time during the financial year in question, been, in relation to the investment fund, a trustee for the charity;
- (n) a description of any functions relating to the management of the investment fund which have been delegated (including the maintenance of the register of charities participating in the investment fund), and of the procedures adopted to ensure that those functions are discharged consistently with the scheme or schemes by which the investment fund is regulated, and with the investment policies adopted for the investment fund;
- (o) the name and address of any person to whom any such functions in respect of the management of the investment fund have been delegated or who have been instructed to provide advice on investment matters; and
- (p) a statement as to which, if any, of the persons whose names are given in accordance with the provisions of sub-paragraphs (i), (k), (l), (m) or (o), are authorised persons within the meaning of section 31 of the Financial Services and Markets Act 2000(19).

#### **Annual reports: parent investment fund**

**31.**—(1) Regulation 30 applies to an annual report prepared in accordance with section 68(1) by the charity trustees of a parent investment fund with the following modification.

(2) References to the “investment fund” are to be read as references to the “investment fund and its subsidiary undertakings”.

(3) In this regulation “subsidiary undertaking” does not include a subsidiary undertaking which is excluded from group accounts in accordance with regulation 17.

#### **Annual reports: non-parent charity which elects to prepare a receipts and payments account and a statement of assets and liabilities or grant-aided school**

**32.**—(1) This regulation applies to an annual report prepared in accordance with section 68(1) by the charity trustees of a non-parent charity which elects to prepare a receipts and payments account and a statement of assets and liabilities under section 64(3) or a charity which is a grant-aided school.

(2) The report on the activities of a charity during the year which is required to be contained in the annual report prepared under section 68(1) must—

- (a) specify the financial year to which it relates;
- (b) contain a summary that explains—
  - (i) the main activities undertaken by the charity to further its charitable purposes for the public benefit; and
  - (ii) the main achievements of the charity during the year;
- (c) include a statement as to whether the charity trustees have complied with the duty to have regard to the guidance issued by the Commission under section 4(20);
- (d) contain a review of the charity’s financial position at the end of the year;

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(19) 2000 c. 8; section 31 was amended by section 11(1) of the Financial Services Act 2012 (c. 21)

(20) Section 4 was amended by paragraph 2 of Schedule 1 and Schedule 2 to the Charities Act (Northern Ireland) 2013 (c. 3 (N.I.))

- (e) identify any fund of the charity that was materially in deficit at the end of the year and give particulars of the steps taken by the charity trustees to eliminate that deficit;
  - (f) be dated and be signed by one or more of the charity trustees, each of whom has been authorised to do so.
- (3) Subject to paragraph (4), the other information relating to a charity and to its trustees and officers which is required to be contained in the annual report is—
- (a) the name of the charity as it appears in the register and any other name by which it makes itself known;
  - (b) the number assigned to it in the register and, in the case of a charitable company, the number with which it is registered as a company;
  - (c) the principal address of the charity and, in the case of a charitable company, the address of its registered office;
  - (d) the name of any person who is a charity trustee of the charity on the date when the authority referred to in paragraph (2)(f) is given, and, where any such person is a body corporate, the name of any person who is a director of the body corporate on that date;
  - (e) the name of any other person who is a trustee of the charity on the date referred to in paragraph (2)(f);
  - (f) the name of any other person who has, at any time during the relevant financial year, been a trustee of the charity;
  - (g) particulars of how the charity is constituted, including the date, if known, of any deed or other document containing provisions which regulate the purposes and administration of the charity;
  - (h) a summary description of the purposes of the charity;
  - (i) the name of any person or body of persons entitled by the trusts of the charity to appoint one or more new charity trustees and a description of the method provided by those trusts for such appointment.
- (4) The Commission may, where it is satisfied that, in the case of a particular charity or class of charities, or in the case of a particular financial year of a charity or class of charities—
- (a) the disclosure of the name of any person whose name is required by any of sub-paragraphs (d), (e), (f) and (i) of paragraph (3) to be contained in the annual report of a charity could lead to that person being placed in any personal danger, dispense with the requirement in any of those sub-paragraphs so far as it applies to the name of such person;
  - (b) the disclosure of the principal address of the charity in accordance with paragraph (3)(c) could lead to any such person being placed in any personal danger, dispense with that requirement.

#### **Annual reports: non-parent charity which prepares a statement of accounts**

**33.—**(1) This regulation applies to an annual report prepared in accordance with section 68(1) by the charity trustees of a non-parent charity required to prepare a statement of accounts under section 64(1) or Part 15 of the Companies Act 2006.

(2) The report on the activities of a charity during the year which is required to be contained in the annual report prepared under section 68(1) must—

- (a) comply with regulation 32(2) to (4); and
- (b) be prepared in accordance with the methods and principles set out in the SORP.

### **Annual reports: qualifying parent charities**

**34.**—(1) This regulation applies to an annual report prepared in accordance with section 68(1) by the charity trustees of a qualifying parent charity preparing a statement of accounts under section 64(1) or Part 15 of the Companies Act 2006.

(2) The report on the activities of such a parent charity and its subsidiary undertakings during the year which is required to be contained in the annual report prepared under section 68(1) must—

(a) subject to paragraph (3), comply with regulation 32(2) to (4); and

(b) be prepared in accordance with the methods and principles set out in the SORP.

(3) Regulation 32(2) to (4) shall be modified in its application to this regulation so that references to the “non-parent charity” are read as references to the “qualifying parent charity and its subsidiary undertakings”.

(4) In this regulation “subsidiary undertaking” does not include a subsidiary undertaking which is excluded from group accounts in accordance with regulation 17.

## **PART 6**

### **CONSEQUENTIAL PROVISION**

#### **Revocations**

**35.**—(1) Subject to paragraph (2), Article 4 of, and Schedule 2 to, the Companies Act 2006 (Commencement No. 6, Saving and Commencement Nos. 3 and 5 (Amendment)) Order 2008(21) (saving for small charitable companies in Northern Ireland) are revoked.

(2) Paragraph (1) has effect in relation to a particular charity from the beginning of the first financial year of the charity to which these Regulations apply.

Sealed with the Official Seal of the Department for Social Development on 30th November 2015

*Chris Hughes*  
A senior officer of the Department for Social  
Development

## EXPLANATORY NOTE

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

These Regulations make provision in respect of the preparation and scrutiny of accounts prepared by charities and the preparation of annual reports by charities. The Regulations also make provision for the preparation and scrutiny of group accounts and the preparation of group annual reports by parent charities. The Regulations apply to charities registered in the register of charities kept under section 16 of the Charities Act (Northern Ireland) 2008 (“the Act”) and for financial years beginning on or after 1st January 2016.

Part 1 makes general provision. Regulation 2 sets out the definitions that apply for the purposes of the Regulations. Regulation 3 makes provision for the determination of financial years of charities that are not companies. Regulation 4 provides for the statement of recommended practice which is to apply according to the type of charity. Regulation 5 provides for the application of the Regulations. Regulation 6 restates the position in relation to grant-aided schools which are charities.

Part 2 prescribes the form and contents of the statements of accounts prepared by charity trustees under section 64(1) of the Act. This includes the information to be provided by way of notes to the accounts. Regulation 8 prescribes the form and contents of statements of accounts prepared by general charities (which are all charities apart from special case charities and investment funds). Regulation 9 prescribes the form and contents of statements of accounts to be prepared by registered housing associations and certain charities conducting further and higher education institutions (special case charities). Regulation 10 prescribes the form and contents of statements of accounts prepared by charities that are investment funds.

Part 3 makes provision in respect of the preparation of group accounts. Chapter 1 sets out how aggregate gross income is to be calculated for the purposes of Schedule 6 to the Act and also how the financial years of subsidiary undertakings are to be determined. Chapter 2 prescribes the form and contents of group accounts prepared by the charity trustees of a parent charity, including the information to be provided by way of notes to the accounts. Chapter 3 makes provision for various exceptions to the requirement to prepare group accounts. The requirements of Part 3 apply to a parent charity which is a company where it is not required to prepare group accounts under Part 15 of the Companies Act 2006.

Part 4 makes provision regarding the duties of auditors and independent examiners and the reports to be made by them. Chapter 2 deals with the reports of auditors by reference to the type of entity accounts which they are auditing. Chapter 3 deals with the reports of auditors of group accounts. Chapter 4 deals with the reports of independent examiners and Chapter 5 makes various supplementary provisions including provision for cases in which the Charity Commission for Northern Ireland may dispense with the requirement for a charity’s accounts to be audited or examined. The requirements of Part 4 apply to a charity which is a company and which is not required to have its accounts audited under Part 15 of the Companies Act 2006.

Part 5 makes provision regarding the report and information to be contained in the annual report prepared by the charity trustees of a charity under section 68 of the Act. Regulations 31 and 34 make provision for the preparation of annual reports by the charity trustees of parent charities that are required to prepare group accounts for the financial year in question. Regulations 30, 32 and 33 make provision for the preparation of annual reports by other types of charity. The requirements of Part 5 apply to a charity which is a company and prepares a statement of accounts under Part 15 of the Companies Act 2006.

Part 6 makes consequential revocations.

A full regulatory impact assessment of the effect that these Regulations will have on the costs of business and the voluntary sector is available from the Department for Social Development, Voluntary and Community Unit, 3rd Floor, Lighthouse Building, 1 Cromac Place, Gasworks Business Park, Ormeau Road, Belfast BT7 2JB and is annexed to the Explanatory Memorandum which is available alongside the Regulations on the website: [www.legislation.gov.uk](http://www.legislation.gov.uk).