
STATUTORY RULES OF NORTHERN IRELAND

2015 No. 384

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

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)(1).

(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.

(1) 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.))

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.