

SCHEDULES

SCHEDULE 6

GROUP ACCOUNTS

Audit accounts of larger groups

6.—(1) This paragraph applies where group accounts are prepared for a financial year of a parent charity under paragraph 3(2) and—

- (a) the aggregate gross income of the group in that year exceeds the relevant income threshold, or
- (b) the aggregate gross income of the group in that year exceeds the relevant income threshold and at the end of the year the aggregate value of the assets of the group (before deduction of liabilities) exceeds the relevant assets threshold.

(2) In sub-paragraph (1)—

- (a) the reference in head (a) or (b) to the relevant income threshold is a reference to the sum prescribed as the relevant income threshold for the purposes of that head, and
- (b) the reference in head (b) to the relevant assets threshold is a reference to the sum prescribed as the relevant assets threshold for the purposes of that head.

“Prescribed” means prescribed by regulations made by the Department.

(3) This paragraph also applies where group accounts are prepared for a financial year of a parent charity under paragraph 3(2) and the appropriate audit provision applies in relation to the parent charity’s own accounts for that year.

(4) If this paragraph applies in relation to a financial year of a parent charity by virtue of sub-paragraph (1) or (3), the group accounts for that year shall be audited by a person within section 65(2)(a) or (b).

(5) Where it appears to the Commission that sub-paragraph (4) has not been complied with in relation to that year within 10 months from the end of that year—

- (a) the Commission may by order require the group accounts for that year to be audited by a person within section 65(2)(a) or (b), and
- (b) if it so orders, the auditor shall be a person appointed by the Commission.

(6) Section 65(8) shall apply in relation to any such audit as it applies in relation to an audit carried out by an auditor appointed under section 65(6) (reading the reference to the funds of the charity as a reference to the funds of the parent charity).

(7) If this paragraph applies in relation to a financial year of a parent charity by virtue of sub-paragraph (1)—

- (a) subject to head (b), the appropriate audit provision shall apply in relation to the parent charity's own accounts for that year (whether or not it would otherwise so apply);
- (b) where the parent charity is a company and its own accounts for that year are not required to be audited in accordance with Part 16 of the Companies Act 2006 (c. 46), section 65(2) shall apply in relation to those accounts (whether or not it would otherwise so apply).

(8) In this paragraph, "the appropriate audit provision", in relation to a financial year of a parent company, means—

- (a) subject to head (b), section 65(2);
- (b) if the parent charity is a company, section 65(2) or Part 16 of the Companies Act 2006 (as the case may be).