

**EXECUTIVE NOTE**  
**THE CHARITIES ACCOUNTS (SCOTLAND) AMENDMENT**  
**REGULATIONS 2010 (S.S.I 2010/287 )**

The above instrument was made in exercise of the powers conferred by section 44(4), 44(5) and 103(2) of the **Charities and Trustee Investment (Scotland) Act 2005** and all other powers enabling them to do so. The instrument is subject to negative resolution procedure.

**Policy Objectives**

The purpose of the instrument is to amend the Charities Accounts (Scotland) Regulations 2006 which govern the form and content of the accounts charities regulated by the Office of the Scottish Charity Regulator must submit. Many of the amendments seek either to clarify the requirements where the current regulations are ambiguous or there has been uncertainty in their interpretation, or to correct typographical errors.

The significant changes introduced by the new regulations are:

- i) the threshold for the preparation of accruals accounts for non-company charities is raised from £100,000 to £250,000; and
- ii) the asset threshold for mandatory audit of charity accounts is increased from £2.8 million to £3.26 million (to bring this in line with the asset threshold for companies).

The Regulations come into force on 1<sup>st</sup> April 2011 – though the amendments made by regulations 3(b), 7, 8 and 9(a)-(c) do not apply in relation to any accounts covering a financial year which begins before 1<sup>st</sup> April 2011.

**Consultation**

A public consultation was held between April and July 2009. The consultation analysis report was published in February 2010, and is available from the Scottish Government website at <http://www.scotland.gov.uk/Publications/2010/02/25112420/0>. Copies of the 76 responses are available on the Scottish Government website at <http://www.scotland.gov.uk/Publications/2009/09/01135126/0>.

**Financial Effects**

The instrument has no financial effects on the Scottish Executive, local government or on business. Consultees considered the overall impact of the changes on charities would be beneficial, if limited. Some minor transition costs are likely to be offset by savings to charities who fall below the new thresholds – though the savings are likely to be small (perhaps £1000 a year). There will be minor costs to the Office of the Scottish Charity Regulator in terms of updating guidance, and to the advice sector – these are likely to be de minimis.

Scottish Executive DG Justice and Communities  
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