



Charities Act 2011

2011 CHAPTER 25

PART 13

[^{F1}POWERS TO AMEND TRUSTS AND USE CAPITAL]

Powers of^{F1} ... charities to spend capital

282 Resolution to spend larger fund^{F1}...

- (1) This section applies to any available endowment fund of a charity [^{F2}if—
- (a) in a case where subsection (1A) applies, the adjusted market value of the fund exceeds £25,000, or
 - (b) in any other case, the market value of the fund exceeds that sum.]

[^{F3}(1A) This subsection applies where the charity trustees of the charity have borrowed from the fund and all or part of that borrowing is outstanding.]

- (2) If the condition in subsection (3) is met in relation to the charity, the charity trustees may resolve for the purposes of this section that the fund, or a portion of it, ought to be freed from the restrictions with respect to expenditure of capital that apply to it.
- (3) The condition is that the charity trustees are satisfied that the purposes set out in the trusts to which the fund is subject could be carried out more effectively if the capital of the fund, or the relevant portion of the capital, could be expended as well as income accruing to it, rather than just such income.

[^{F4}(3A) If—

- (a) an amount falls to be repaid to or paid into the fund by the charity trustees because the charity trustees have borrowed an amount from the fund,
- (b) the amount when repaid or paid would fall to be added to the fund and to be subject to the same restrictions as to expenditure as apply to the other capital in the fund, and
- (c) the condition in subsection (3B) is met in relation to the charity,

Changes to legislation: Charities Act 2011, Section 282 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

the charity trustees may resolve for the purposes of this section that the obligation to repay or pay the amount ought to cease to have effect either wholly or in part.

(3B) The condition is that the charity trustees are satisfied that the purposes set out in the trusts to which the fund is subject could be carried out more effectively if the obligation ceased to have effect to that extent.]

(4) The charity trustees—

- (a) must send a copy of any resolution under subsection (2) [^{F5}or (3A)] to the Commission, together with a statement of their reasons for passing it, and
- (b) may not implement the resolution except in accordance with sections 283 and 284.

(5) In this section—

[^{F6}“adjusted market value”, in relation to an endowment fund, means the current market value of the fund as determined on a valuation carried out for the purpose—

- (a) reduced by the value, if any, of the benefit of the debt owed by the charity trustees representing outstanding borrowing from the fund on the date of that valuation, and
- (b) increased by the amount of the charity trustees’ outstanding borrowing from the fund on that date;”]

“available endowment fund” has the same meaning as in section 281;

“market value”, in relation to an endowment fund, means—

- (a) the market value of the fund as recorded in the accounts for the last financial year of the relevant charity, or
- (b) if no such value was so recorded, the current market value of the fund as determined on a valuation carried out for the purpose.

[^{F6}“outstanding borrowing” means outstanding borrowing by virtue of section 284A or otherwise.]

^{F7}(6)

Textual Amendments

- F1** Words in s. 282 heading omitted (14.6.2023) by virtue of Charities Act 2022 (c. 6), **ss. 10(3)(a)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)
- F2** Words in s. 282(1) substituted (14.6.2023) by Charities Act 2022 (c. 6), **ss. 10(3)(b)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)
- F3** S. 282(1A) inserted (14.6.2023) by Charities Act 2022 (c. 6), **ss. 10(3)(c)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)
- F4** S. 282(3A)(3B) inserted (14.6.2023) by Charities Act 2022 (c. 6), **ss. 10(3)(d)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)
- F5** Words in s. 282(4)(a) inserted (14.6.2023) by Charities Act 2022 (c. 6), **ss. 10(3)(e)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)
- F6** Words in s. 282(5) inserted (14.6.2023) by Charities Act 2022 (c. 6), **ss. 10(3)(f)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)
- F7** S. 282(6) omitted (14.6.2023) by virtue of Charities Act 2022 (c. 6), **ss. 10(3)(g)**, 41(4); S.I. 2023/643, Sch. para. 2 (with reg. 4)

Changes to legislation:

Charities Act 2011, Section 282 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 106(1)-(1B) substituted for s. 106(1) by [2022 c. 6 s. 16\(a\)](#)
- s. 322(2)(ea) inserted by [2022 c. 6 Sch. 2 para. 26](#)
- s. 331A331B and cross-heading inserted by [2022 c. 6 s. 15](#)