

*These notes relate to the Charities and Trustee Investment (Scotland)  
Act 2005 (asp 10) which received Royal Assent on 14 July 2005*

# CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005

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## EXPLANATORY NOTES

### COMMENTARY ON PARTS

#### **Part 1: Charities**

#### *Chapter 6 – Charity accounts*

#### **Accounts**

59. As under current legislation (sections 4 and 5 of the 1990 Act), **section 44** requires all charities to keep proper accounting records. Charities must also prepare an annual statement of account and report on their activities, have these audited or independently examined (depending on the size of the charity as set out in regulations made under **subsection 44(4)**) and provide a copy of the statement to OSCR. Accounting records must be retained for at least 6 years. It is expected that the standard of accounts set out in regulations will accord closely with the UK Statement of Recommended Practice for Charities an updated version of which has recently been adopted on behalf of the Accounting Standards Board.
60. The regulations on accounting will also be used to set out different requirements for different classes or type of charities. For instance, religious bodies may, as now, be allowed to prepare accounts in a slightly different format, as long as they meet equivalent standards to other charities. Regulations will also set out the thresholds by which different sizes of charity (probably judged on the value of its income, turnover or other measure) must prepare different levels of detail in their accounts and undergo different levels of audit or examination.