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STATUTORY INSTRUMENTS

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**2008 No. 629**

**The Charities (Accounts and Reports) Regulations 2008**

**PART 5**

**ANNUAL REPORTS**

**General**

**37.**—(1) The report and information to be contained in the annual report prepared by the charity trustee's of a charity are prescribed—

- (a) in the case of a non-parent investment fund, in regulation 38;
- (b) in the case of a parent investment fund, in regulation 39.
- (c) in the case of a non-parent charity, in regulation 40;
- (d) in the case of a qualifying parent charity, in regulation 41.

(2) In this Part—

- (a) “non-parent charity” means a charity—
  - (i) which is not an investment fund; and
  - (ii) is—
    - (aa) not a parent charity; or
    - (bb) a parent charity but the charity trustees are not required to prepare group accounts in respect of the financial year to which the annual report relates;
- (b) “non-parent investment fund” means an investment fund which—
  - (i) is not a parent charity; or
  - (ii) is a parent charity but the charity trustees are not required to prepare group accounts in respect of the financial year to which the annual report relates;
- (c) “parent investment fund” means an investment fund—
  - (i) which is a parent charity; and
  - (ii) the charity trustees of which are required to prepare group accounts in respect of the financial year to which the annual report relates;
- (d) “qualifying parent charity” means a charity—
  - (i) which is not an investment fund; and
  - (ii) the charity trustees of which are required to prepare group accounts in respect of the financial year to which the annual report relates.

**Annual Reports: non-parent investment fund**

**38.**—(1) This regulation applies to the annual report prepared under section 45(1) of the 1993 Act by the charity trustees of a non-parent investment fund.

(2) The report on the activities of the investment fund during the year which is required to be contained in the annual report must—

- (a) specify the financial year to which it relates;
- (b) be a review of the significant activities of the investment fund during that year, including details of—
  - (i) the aims and objectives which have been set for the investment fund during the year,
  - (ii) the policies adopted for achieving those aims and objectives; and
  - (iii) the achievements of the investment fund, measured by reference to the aims and objectives which have been set;
- (c) provide any other significant information which the charity trustees consider would assist charities participating in the investment fund to make an informed judgement on the suitability to the charity of the investment fund as an investment for the charity;
- (d) specify any material events affecting the investment fund which have occurred since the end of the year;
- (e) contain a statement as to the steps (if any) taken to consider whether any person to whom functions in respect of the management of the investment fund has been delegated has complied with the terms of the delegation; and
- (f) be signed—
  - (i) if the scheme or schemes regulating the investment fund allocates responsibility for preparing the report to a particular person, by that person;
  - (ii) in any other case, by at least one of the charity trustees of the investment fund, each of whom has been authorised to do so.

(3) The information relating to an investment fund and to its trustees and officers which is required to be contained in the annual report is—

- (a) the name of the investment fund as it appears in the register of charities and any other name by which it makes itself known;
- (b) the number assigned to the investment fund in the register;
- (c) the principal address of the investment fund;
- (d) particulars, including the date, of any scheme or schemes containing provisions which regulate the purposes and administration of the investment fund;
- (e) the name of any person or body of persons entitled under any such scheme or schemes to appoint any charity trustee of the investment fund, and a description of the method provided by any such scheme or schemes for such appointment;
- (f) a description of the objects of the investment fund;
- (g) a description of the organisational structure of the investment fund;
- (h) the name of any charity trustee of the investment fund, on the date of the signature of the report, where paragraph (2)(f)(i) applies, and otherwise on the date when the authority referred to in paragraph (2)(f)(ii) is given, and, where any such person is a body corporate, the name of any person who is a director of the body corporate on that date;
- (i) the professional qualifications of any individual person referred to in sub-paragraphs (e) or (h);
- (j) the name of any other person who has, at any time during the financial year in question, been a charity trustee of the investment fund;
- (k) the name of any person who is, in relation to the investment fund, a trustee for the charity on the date referred to in sub-paragraph (h);

- (l) the name of any other person who has, at any time during the financial year in question, been, in relation to the investment fund, a trustee for the charity;
- (m) a description of any functions relating to the management of the investment fund which have been delegated (including the maintenance of the register of charities participating in the investment fund), and of the procedures adopted to ensure that those functions are discharged consistently with the scheme or schemes by which the investment fund is regulated, and with the investment policies adopted for the investment fund;
- (n) the name and address of any person to whom any such functions in respect of the management of the investment fund have been delegated or who have been instructed to provide advice on investment matters; and
- (o) a statement as to which, if any, of the persons whose names are given in accordance with the provisions of sub-paragraphs (h), (j), (k), (l) or (n), are authorised persons.

### **Annual Reports: parent investment funds**

**39.**—(1) This regulation applies to an annual report prepared in accordance with section 45(1) of the 1993 Act by the charity trustees of a parent investment fund.

(2) The report on the activities of such an investment fund and of its subsidiary undertakings, during the year which is required to be contained in the annual report prepared under section 45 of the 1993 Act in respect of each financial year of the investment fund must—

- (a) specify the financial year to which it relates;
- (b) be a review of the significant activities of the investment fund and of its subsidiary undertakings during that year, including details of—
  - (i) the aims and objectives which have been set for the investment fund and its subsidiary undertakings during the year and identifying, in the case of subsidiary undertakings, how these aims and objectives support the investment activities of the investment fund;
  - (ii) the policies adopted for achieving those aims and objectives; and
  - (iii) the achievements of the investment fund and of its subsidiary undertakings, measured by reference to the aims and objectives which have been set;
- (c) where the total of capital and reserves in any of the investment fund's subsidiary undertakings was materially in deficit at the beginning of the financial year, contain particulars of the steps taken by the relevant undertaking or undertakings to eliminate that deficit;
- (d) provide any other significant information which the charity trustees consider would assist charities participating in the investment fund to make an informed judgement on the suitability to the charity of the investment fund as an investment for the charity;
- (e) specify any material events affecting the investment fund which have occurred since the end of the relevant financial year;
- (f) contain a statement as to the steps (if any) taken to consider whether any person to whom functions in respect of the management of the investment fund has been delegated has complied with the terms of the delegation; and
- (g) be signed—
  - (i) if the scheme or schemes regulating the investment fund allocates responsibility for preparing the report to a particular person, by that person;
  - (ii) in any other case, by at least one of the charity trustees of the investment fund, each of whom has been authorised to do so.

(3) The information relating to a parent investment fund, to its trustees and officers, and to its subsidiary undertakings, which is required to be contained in the annual report is—

- (a) the name of the investment fund as it appears in the register of charities and any other name by which it makes itself known;
- (b) the number assigned to the investment fund in the register;
- (c) the principal address of the investment fund;
- (d) particulars, including the date, of any scheme or schemes containing provisions which regulate the purposes and administration of the investment fund;
- (e) the name of any person or body of persons entitled under any such scheme or schemes to appoint any charity trustee of the investment fund, and a description of the method provided by any such scheme or schemes for such appointment;
- (f) a description of the objects of the investment fund;
- (g) a description of the organisational structure of the investment fund, and of its subsidiary undertakings;
- (h) the name of any charity trustee of the investment fund, on the date of the signature of the report, where paragraph (2)(g)(i) applies, and otherwise on the date when the authority referred to in paragraph (2)(g)(ii) is given, and, where any such person is a body corporate, the name of any person who is a director of the body corporate on that date;
- (i) the professional qualifications of any individual person referred to in sub-paragraphs (e) or (h);
- (j) the name of any other person who has, at any time during the financial year in question, been a charity trustee of the investment fund;
- (k) the name of any person who is, in relation to the investment fund, a trustee for the charity on the date referred to in sub-paragraph (h);
- (l) the name of any other person who has, at any time during the financial year in question, been, in relation to the investment fund, a trustee for the charity;
- (m) a description of any functions relating to the management of the investment fund which have been delegated (including the maintenance of the register of charities participating in the investment fund), and of the procedures adopted to ensure that those functions are discharged consistently with the scheme or schemes by which the investment fund is regulated, and with the investment policies adopted for the investment fund;
- (n) the name and address of any person to whom any such functions in respect of the management of the investment fund have been delegated or who have been instructed to provide advice on investment matters; and
- (o) a statement as to which, if any, of the persons whose names are given in accordance with the provisions of sub-paragraphs (h), (j), (k), (l) or (n), are authorised persons.

(4) In this regulation “subsidiary undertaking” does not include a subsidiary undertaking which is excluded from group accounts in accordance with regulation 19.

#### **Annual reports: non-parent charity**

**40.**—(1) This regulation applies to an annual report prepared in accordance with section 45(1) of the 1993 Act by the charity trustees of a non-parent charity.

(2) The report on the activities of a charity during the year which is required to be contained in the annual report prepared under section 45 of the 1993 Act—

- (a) must specify the financial year to which it relates;
- (b) must—

- (i) in the case of a charity which is not an auditable charity, be a brief summary setting out—
    - (aa) the main activities undertaken by the charity to further its charitable purposes for the public benefit; and
    - (bb) the main achievements of the charity during the year.
  - (ii) in the case of a charity which is an auditable charity, be a review of the significant activities undertaken by the charity during the relevant financial year to further its charitable purposes for the public benefit or to generate resources to be used to further its purposes including—
    - (aa) details of the aims and objectives which the charity trustees have set for the charity in that year, details of the strategies adopted and of significant activities undertaken, in order to achieve those aims and objectives;
    - (bb) details of the achievements of the charity during the year, measured by reference to the aims and objectives which have been set;
    - (cc) details of any significant contribution of volunteers to these activities;
    - (dd) details of the principal sources of income of the charity; and
    - (ee) a statement as to whether the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks;
  - (c) must—
    - (i) where—
      - (aa) any fund of the charity was in deficit at the beginning of the relevant financial; and
      - (bb) the charity is one in respect of which a statement of accounts has been prepared under section 42(1) of the 1993 Act for that financial year, contain particulars of the steps taken by the charity trustees to eliminate that deficit;
    - (ii) contain a statement by the charity trustees as to whether they have complied with the duty in section 4 of the 2006 Act to have due regard to guidance published by the Commission; and
    - (iii) be dated and be signed by one or more of the charity trustees, each of whom has been authorised to do so.
- (3) Subject to paragraphs (4) to (7), the other information relating to a charity and to its trustees and officers which is required to be contained in the annual report is—
- (a) the name of the charity as it appears in the register of charities and any other name by which it makes itself known;
  - (b) the number assigned to it in the register and, in the case of a charitable company, the number with which it is registered as a company;
  - (c) the principal address of the charity and, in the case of a charitable company, the address of its registered office;
  - (d) the name of any person who is a charity trustee of the charity on the date when the authority referred to in paragraph (2)(c)(iii) above is given, and, where any charity trustee on that date is a body corporate, the name of any person who is a director of the body corporate on that date;
  - (e) the name of any other person who has, at any time during the relevant financial year been a charity trustee of the charity;

- (f) the name of any person who is a trustee for the charity on the date referred to in sub-paragraph (d);
  - (g) the name of any other person who has, at any time during the relevant financial year been a trustee for the charity;
  - (h) particulars, including the date if known, of any deed or other document containing provisions which regulate the purposes and administration of the charity;
  - (i) the name of any person or body of persons entitled by the trusts of the charity to appoint one or more new charity trustees and a description of the method provided by those trusts for such appointment;
  - (j) a description of the policies and procedures (if any) which have been adopted by the charity trustees for the induction and training of charity trustees and where no such policies have been adopted a statement to that effect;
  - (k) a description of the organisational structure of the charity;
  - (l) a summary description of the purposes of the charity;
  - (m) a description of the policies (if any) which have been adopted by the charity trustees for the selection of individuals and institutions who are to receive grants or other forms of financial support out of the assets of the charity;
  - (n) a statement regarding the performance during the financial year of the investments belonging to the charity (if any);
  - (o) where material investments are owned by a charity, a description of the policies (if any) which have been adopted by the charity trustees for the selection, retention and realisation of investments for the charity including the extent (if any) to which social, environmental or ethical considerations are taken into account;
  - (p) a description of the policies (if any) which have been adopted by the charity trustees for the purpose of determining the level of reserves which it is appropriate for the charity to maintain in order to meet effectively the needs designated by its trusts, together with details of the amount and purpose of any material commitments and planned expenditure not provided for in the balance sheet which have been deducted from the assets in the unrestricted fund of the charity in calculating the amount of reserves, and where no such policies have been adopted, a statement to that effect;
  - (q) a description of the aims and objectives which the charity trustees have set for the charity in the future and of the activities contemplated in furtherance of those aims and objectives;
  - (r) a description of any assets held by the charity or by any charity trustee of, or trustee for, the charity, on behalf of another charity, and particulars of any special arrangements made with respect to the safe custody of such assets and their segregation from assets of the charity not so held and a description of the objects of the charity on whose behalf the assets are held.
- (4) The Commission may, where it is satisfied that, in the case of a particular charity or class of charities, or in the case of a particular financial year of a charity or class of charities—
- (a) the disclosure of the name of any person whose name is required by any of sub-paragraphs (d), (e), (f), (g) and (i) of paragraph (3) to be contained in the annual report of a charity could lead to that person being placed in any personal danger, dispense with the requirement in any of those sub-paragraphs so far as it applies to the name of such person;
  - (b) the disclosure of the principal address of the charity in accordance with paragraph (3)(c) above could lead to any such person being placed in any personal danger, dispense with that requirement.

(5) In the case of a charity having more than 50 charity trustees on the date referred to in paragraph (3)(d)—

- (a) paragraph (3)(d) has effect as if for “name of any person who is a charity trustee of the charity” there were substituted “names of not less than 50 of the charity trustees of the charity, including any charity trustee who is also an officer of the charity”; and
- (b) paragraph (3)(e) has effect as if, at the end of that paragraph, there were inserted “other than the name of any charity trustee whose name has been excluded from the report in pursuance of sub-paragraph (d)”.

(6) In the case of a report prepared under section 46(5) of the 1993 Act (excepted charities which are not registered), paragraph (4) has effect as if—

- (a) in sub-paragraph (a) from “as it appears in the register of charities” to the end; and
- (b) in sub-paragraph (b) “the number assigned to it in the register and,”

were omitted.

(7) Sub-paragraphs (j), (k), (m), (n), (o) and (q) of paragraph (3) do not apply to a charity which is not an auditable charity.

#### **Annual Reports: qualifying parent charities**

**41.**—(1) This regulation applies to an annual report prepared in accordance with section 45(1) of the 1993 Act by the charity trustees of a qualifying parent charity.

(2) The report on the activities of such a parent charity and its subsidiary undertakings, during the year, which is required to be contained in the annual report prepared under section 45 of the 1993 Act in respect of each financial year of the charity must—

- (a) specify the financial year to which it relates;
- (b) be a review of the significant activities undertaken by the charity during the relevant financial year to further its charitable purposes for the public benefit or to generate resources to be used to further its purposes including details of—
  - (i) the aims and objectives which the charity trustees have set for the parent charity and its subsidiary undertakings in that year;
  - (ii) the strategies adopted and the significant activities undertaken, in order to achieve those aims and objectives;
  - (iii) the achievements of the parent charity and its subsidiary undertakings during the year, measured by reference to the aims and objectives which have been set,
  - (iv) any significant contribution of volunteers to these activities; and
  - (v) the principal sources of income of the parent charity and of its subsidiary undertakings;
- (c) contain a statement as to whether the charity trustees have—
  - (i) given consideration to the major risks to which the parent charity and its subsidiary undertakings are exposed; and
  - (ii) satisfied themselves that systems or procedures are established in order to manage those risks;
- (d) where any fund of the parent charity was in deficit at the beginning of the financial year in question, contain particulars of the steps taken by the charity trustees to eliminate that deficit;

- (e) where the total of capital and reserves in any of the parent charity's subsidiary undertakings was materially in deficit at the beginning of the financial year, contain particulars of the steps taken by the relevant undertaking or undertakings to eliminate that deficit,
  - (f) contain a statement by the charity trustees as to whether they have complied with the duty in section 4 of the 2006 Act to have due regard to guidance published by the Commission; and
  - (g) be dated and be signed by one or more of the charity trustees, each of whom has been authorised to do so.
- (3) Subject to paragraphs (4) to (6), the information relating to a qualifying parent charity, to its trustees and officers, and to its subsidiary undertakings, which is required to be contained in the annual report is—
- (a) the name of the parent charity as it appears in the register of charities and any other name by which it makes itself known;
  - (b) the number assigned to the parent charity in the register and, in the case of a charitable company, the number with which it is registered as a company;
  - (c) the principal address of the parent charity and, in the case of a charitable company, the address of its registered office;
  - (d) the name of any person who is a charity trustee of the parent charity on the date when the authority referred to in paragraph (2)(g) is given, and, where any charity trustee on that date is a body corporate, the name of any person who is a director of the body corporate on that date;
  - (e) the name of any other person who has, at any time during the financial year in question, been a charity trustee of the parent charity;
  - (f) the name of any person who is a trustee for the parent charity on the date referred to in sub-paragraph (d);
  - (g) the name of any other person who has, at any time during the financial year in question, been a trustee for the parent charity;
  - (h) particulars, including the date if known, of any deed or other document containing provisions which regulate the purposes and administration of the parent charity;
  - (i) the name of any person or body of persons entitled by the trusts of the parent charity to appoint one or more new charity trustees, and a description of the method provided by those trusts for such appointment;
  - (j) a description of the policies and procedures (if any) which have been adopted by the charity trustees of the parent charity for the induction and training of charity trustees, and where no such policies have been adopted a statement to this effect;
  - (k) a description of the organisational structure of the parent charity and of its subsidiary undertakings;
  - (l) a summary description of the purposes of the parent charity;
  - (m) a description of the policies (if any) which have been adopted by the charity trustees of the parent charity for the selection of individuals and institutions who are to receive grants, or other forms of financial support, out of the assets of the charity;
  - (n) a statement regarding the performance during the financial year of—
    - (i) any investments belonging to the parent charity; and
    - (ii) any investments belonging to the parent charity's subsidiary undertakings, where those investments are material to the group accounts;
  - (o) where—



- (i) investments are owned by a qualifying parent charity or any of its subsidiary undertakings; and
  - (ii) those investments are material to the group accounts,
- a description of the policies (if any) which have been adopted by the charity trustees, or as the case may be the subsidiary undertaking, for the selection, retention and realisation of investments, including the extent (if any) to which social, environmental or ethical considerations are taken into account;
- (p) where the charity trustees have adopted policies for the purpose of determining the level of reserves which it is appropriate to maintain in order to meet effectively the needs designated by its trusts—
    - (i) a description of those policies including in particular whether account has been taken of any reserves held by its subsidiary undertakings in determining the appropriate level of reserves;
    - (ii) details of the amount and purpose of any material commitments and planned expenditure not provided for in the balance sheet which have been deducted from the assets in the unrestricted fund of the charity in calculating the amount of reserves;
  - (q) if the charity trustees have not adopted policies falling within sub-paragraph (p), a statement that no such policies have been adopted;
  - (r) a description of the aims and objectives which the charity trustees have set for the parent charity in the future, and of the activities contemplated in furtherance of those aims and objectives;
  - (s) a description of any assets held by the parent charity or by any charity trustee of, or trustee for, the charity, on behalf of another charity, and particulars of any special arrangements made with respect to the safe custody of such assets and their segregation from assets of the charity not so held and a description of the objects of the charity on whose behalf the assets are held.
- (4) The Commission may, where it is satisfied that, in the case of a particular charity or class of charities, or in the case of a particular financial year of a charity or class of charities—
- (a) the disclosure of the name of any person whose name is required by any of sub-paragraphs (d), (e), (f), (g) and (i) of paragraph (3) above to be contained in the annual report of a charity could lead to that person being placed in any personal danger, dispense with the requirement in any of those sub-paragraphs so far as it applies to the name of that person; or
  - (b) the disclosure of the principal address of the charity in accordance with paragraph (3)(c) above could lead to any such person being placed in any personal danger, dispense with that requirement.
- (5) In the case of a charity having more than 50 charity trustees on the date referred to in paragraph (3)(d)—
- (a) that sub-paragraph has effect as if for the words “name of any person who is a charity trustee of the charity” there were substituted the words “names of not less than 50 of the charity trustees of the charity, including any charity trustee who is also an officer of the charity”; and
  - (b) paragraph (3)(e) has effect as if, at the end of the sub-paragraph, there were inserted the words “other than the name of any charity trustee whose name has been excluded from the report in pursuance of sub-paragraph (d)”.
- (6) In the case of a report prepared under section 46(5) of the 1993 Act (excepted charities which are not registered), paragraph (3) above shall have effect as if—

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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- (a) in sub-paragraph (a) the words from “as it appears in the register of charities” to the end, and
  - (b) in sub-paragraph (b) the words “the number assigned to it in the register and,”,
- were omitted.
- (7) In this regulation, “subsidiary undertaking” does not include a subsidiary undertaking which is excluded from the group accounts in accordance with regulation 19.