

Charity Accounting Regulations - Consultation Paper - Comments Etc.

Reference

- 3. Page 13. Thresholds
- 14 " (contd)
- 15 UK Charities
- " Exemptions
- " /16 DRBs/DRs
- " 16 Charitable Companies
- " 16/17 Accounting Periods
- 17 Accounts in Gaelic
- *(if this choice is made)
- " The Charities SORP
- " 21 Trustees Annual Reports and Accounts

Argument in first paragraph is agreed and the provisions for 'under £250000 are right. (Incidentally, it is presumed the second 'of' in the phrase "Charities with an income of under of less than £250000 should read 'or' - I make this comment only in case I have misinterpreted the intention, but it seems obvious that my interpretation is right!)

The second paragraph on this page is basically acceptable and I would prefer NO exemption for "charities with an income of less than £10000"

I completely agree with the theory and am assured by someone (a fellow-CA) with practical knowledge that it is workable.

I find it difficult to comment, but consider your comments reasonable and can think of no other worthy exemptions; the same CA as in the comments above agrees with me.

The answer to your query on page 16 is a resounding 'yes'

" " " " " " " " again a 'yes'. (As a check, I again asked the above CA for his comment and he wholeheartedly agrees!)

I agree Charities be allowed to specify their own period-end date "subject to permission from OSER for successive or frequent changes to that date". However, I can find no excuse - nor can my fellow CA already mentioned - for the reduction of the time limit for submission of the Annual Report & Accounts: This is indefensible, inexcusable, unnecessary and unacceptable bureaucracy with a reckless disregard of practical difficulties which can and do often, though not invariably arise, and is in line with the modern attitude of trying to criminalise those who are interested in being accurate where circumstances are complex, unusual, obscure, or some combination of these; if the 10 months limit is not restored the only conclusion is that you have determined on a course to be unjust and to make everything as difficult as possible for those charities who are honest, conscientious, and trying to be as explicit and co-operative as possible.

Here my fellow-CA (mentioned above) and I disagree! He almost goes to the extreme of denying any choice but English, because accounts are a business matter. I do not agree at all and I also do not agree with your proposed approach, since I consider it patronising, whether intentionally so or not; although not a Gaelic-speaker, I consider that if a Charity is in a Gaelic-speaking area, there should be not only a choice open to prepare accounts in Gaelic, but that these should be the LEGAL Accounts with a certified English translation when the copy is submitted to OSER or any authority or legal entity where English would be necessary for the proper achievement of intelligent mutual discussion or transactions with non-Gaelic-speakers. Such choice would be particularly appropriate where the Charity was for a purpose related more to Gaelic concerns than others, or where the members were wholly or mostly Gaelic-speaking - and there might be other sufficient reasons; I would emphasise that I am suggesting offering a choice.

My fellow-CA prefers option 1; I am also inclined that way, though your argument for adopting 2. is by no means unreasonable; my reasoning is that the development of legislation, particularly Company Law, has in the past been most satisfactory when the Law was as flexible as possible without being vague; and problems developing in practice (not that I am not meaning just practice) have been incorporated into how the law was interpreted in practice and adopted until 'best practice' was discovered - thereafter being incorporated in the Law.

The first paragraph on this page refers to a cash flow statement "where required"; it appears that this applies only to Companies. If so, I have no comment; if a wider application, I would wish to comment.

Pages 27, 29 & 30 Balance Sheet

Page 27 refers to "Heritage Assets" separate from Tangible Assets; page 28 refers to the latter but not the former and page 30 has a bullet point under vii for "olicies on heritage assets". What are "Heritage Assets"? Also, on page 28 Assets described as "Freehold" and "Leasehold" are mentioned - terms not known to Scots Law. (I think they may be owned by a Scots Charity but not outside Scots Law. I am not a "Scots Law" expert but I think...)

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Reference

Pages 34/36 Options

In each case, Option 3 is preferred and options 1, 2 & 4 rejected. (My fellow CA already mentioned agree)

" 36/37 Issues of Equity & Fairness

I agree with the final sentence of this paragraph on page 37; and my " " " " " do ")

" 38

The second sentence on this page is both incomplete and subject to a misprint: The latter, of course, is obvious - 'there' should be 'their', but it is not quite clear how the sentence should be completed - perhaps with the words "the following lines"? If not, then perhaps I have completely misunderstood the meaning; if so, please advise, and I will let you have my comments.

" 40 Enforcement and Penalties (continued from p. 39)

Agreed that the second and third paragraphs on this page seem reasonable regulations. (Again my fellow CA agrees with me)

" 42 Summary and Recommendation

One or two points arise on this:

(i) Should pages 41 & 42 not be reversed?

(ii) Options are numbered '2, 3 & 4', should they not be '1, 2 & 3'?

(iii) If (ii) above is correct, then your recommendation immediately below the table is for the TRUE Option 2, i.e. Option 3 as printed!! Otherwise, you are seemingly "on the cost/benefit analysis" apparently recommending the MOST EXPENSIVE Option!

Both I and my fellow CA agree the TRUE Option 2, i.e. Option 3 as printed, is the right one.