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BIGGART BAILLIE
S O L I C I T O R S

Richard Arnott Esq
Head of Charity Law
Voluntary Issues Unit
Scottish Executive
Social Justice Group
Victoria Quay
Edinburgh
EH6 6QQ

7 Castle Street
Edinburgh EH2 3AP
Tel: +44 (0)131 226 5541
Fax: +44 (0)131 226 2278
DX ED15
LP - 2 Edinburgh 2

E-mail:
info@biggartbaillie.co.uk

Website:
www.biggartbaillie.co.uk

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Richard

Dear Mr Arnott

Dalmore House
310 St. Vincent Street
Glasgow G2 5QR
Tel: +44 (0)141 228 8000
Fax: +44 (0)141 228 8310
DX GW9
LP - 1 Glasgow 12

CONSULTATION ON THE CHARITY ACCOUNTING REGULATIONS

A list of the names of the Partners may be inspected during office hours at each of the addresses given above

Here are a few brief comments on the proposals for the Accounting Regulations following the implementation of the Charities and Trustee Investment (Scotland) Bill on behalf of Biggart Baillie.

On the whole the proposals seem very positive. The proposed thresholds for accounting and auditing purposes seem reasonable but for those charities with small incomes (say, less than £500) even independent examination might be burdensome and perhaps in small cases they should be allowed to make even that examination optional.



The approach taken with regard to UK wide charities perhaps will work well where one is dealing with large charities organised on truly national bases, but in the case of organisations of a national character with local 'branch' groups some further consideration may be useful. Will all the local branches situated in Scotland now require their own individual identity to be recognised and produce local accounts rather than accounting through 'head office' as at present? The proposals to exempt from the regulations charities subject to other SORPs seem reasonable.



Authorised and regulated by the Financial Services Authority

In many small cases there may be somnolence regarding accounts and in such cases opportunities should be given to prepare accounts before final closure. It seems right that Designated Religious Charities should follow the same accounting regulations as other charities in Scotland and very reasonable that charitable companies should have the same audit thresholds in order to provide a consistent accounting regime.



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With regard to the proposals for delivery of accounts, the existing timeframe can be tight for some complex charities, so to reduce it to seven months would seem to impose undue pressure on some charities without any consequent benefit resulting. The actions available to OSCR seem reasonable providing the existing timeframe is not reduced. In fact a period of ten months to a year would not be unreasonable for more complex charities.

With regard to the language in which accounts are produced, the balance of convenience would suggest that all accounts submitted to OSCR must be in English, but there is no reason why charities should not also produce versions in Gaelic if their members prefer it.

I agree with the approach taken to adopting the SORP.

Turning to the proposals with regard to accounting periods, I feel a better approach would be for OSCR to grant permission for a charity to change its year end date except in unusual circumstances (rather than the other way round as at present proposed). If the accounting period length differs from one accounting period to another, it makes a lot of sense to pro-rate the comparative amounts.

I hope you find this helpful.

Yours sincerely



Gordon M Wyllie
Partner
gwyllie@biggartbaillie.co.uk