

Getting your accounts right: a guide for smaller charities

Questions & Answers

What type of accounts do I prepare?

Q: Does a company limited by guarantee count as a limited company for the purposes of fully accrued accounts even if turnover is well below £250k?

Yes, all charitable companies are required to prepare fully accrued accounts, regardless of the level of income.

Q: Can a SCIO prepare Receipts and Payments accounts rather than fully accrued?

SCIO can prepare Receipts and Payments accounts as long as the income is below £250,000 and there is no other requirement for them to prepare fully accrued accounts.

How should assets be displayed in Receipts and Payments accounts?

Q: As an unincorporated body a charity cannot own property. Ownership of property for use by the charity will be held by the trustees in trust for the charity. Does the value of this property need to be shown on the charity accounts?

The property should be included in the accounts for the unincorporated charity. It is held on behalf of the charity, and as such, should be shown as an asset of the charity.

Q: Do assets include buildings, e.g. toilet, and equipment?

A fixed asset is an asset which is purchased by the charity for long term use and cannot be easily converted into cash. Buildings and equipment will be fixed assets. Many charities will have a minimum level of asset value, below which they treat the purchase as a consumable rather than an asset. If the charity trustees decide to do this then they should have a written policy for this.

Q: What sort of level of detail is needed for listing assets? Should we include a box of merchandise for selling (only a few hundred pounds). £40 of medals to be awarded over the next few years?

Where merchandise is purchased for resale this would be a stock asset of the charity. The total merchandise value should be included as a note in the Statement of Balances. Charity trustees may determine a lower level, under which they do not list items on the Statement of Balances. This should be agreed by the charity trustees and documented appropriately.

Q: If assets have not previously been included in the accounts, including them for the first time will create a mismatch. Any advice?

When assets are included in the accounts for the first time the previous year accounts should be restated to include the asset information. This will ensure that there is no mismatch and will make it easier to understand the accounting information.

The comparative information should be shown as restated and there should be a note to explain that asset information is now included.

Q: Is it OK to split the payments section of the accounts to show sub-headings of 'normal business as usual expenditure' & 'capital expenditure'?

This would be shown in the notes to the accounts rather than on the face of the Receipts and Payments account. The information shown on the face of the payments section is set out by legislation, so additional information must be shown in the notes.

General accounting queries

Q: Are there any significant changes applying this year – or coming in future years – relating to the SORP/accounting standards for those preparing fully accrued accounts?

A new Charities Statement of Recommended Practice (SORP) was issued in October 2025. This applies to accounting periods starting on or after 1 January 2026.

More information can be found [here](#).

Q: We have a year where part of it was as an unincorporated body and another as SCIO. Do I submit both?

In most cases a charity which is converting from an unincorporated body to a Scottish Charitable Incorporated Organisation (SCIO) can prepare merged accounts. This means that one set of accounts is prepared which includes the

transactions for both the unincorporated body and the SCIO. More information can be found [here](#).

Your independent examiner or auditor will be able to advise if this is applicable in your own case.

Q: With the notes to the accounts, will the R&P template change to capture a lot of this information, or does all the information have to be included in a separate document?

The Receipts and Payments workpack is designed to produce a fully compliant set of Receipts and Payments accounts; this includes all required notes to the accounts.

External scrutiny requirements

Q: If a SCIO that is below audit threshold decides to prepare Accrual Accounts rather than Receipts & Payments Accounts does it require to be audited (vs Independent Examination)?

An audit is required where the income exceeds £1,000,000 (£500,000 for accounting periods starting before 1 January 2026).

If accrued accounts are prepared, then an audit will also be required if the total assets are £3.26 million or more (regardless of the income level).

Q: Does the independent examiner need to be resident in the UK? Our examiner has temporarily moved abroad but is happy to continue doing the examination.

There is no requirement for the independent examiner to be resident in the UK. You must think through the practicalities of how any independent examination would work if the examiner were to be abroad, ensuring that they were able to properly access records that they need.

Q: Is there template wording for the independent examiner's report?

Yes, in our Receipts and Payments workpack there is a [pro-forma independent examiner's report](#). There are also examples of independent examiner reports [here](#).

Types of funds

Q: What is the difference between unrestricted, restricted and endowment funds?

Endowment fund:

An endowment is a fund consisting of property, including cash which is held for the benefit of the charity. The objective is to provide the charity with an income from the fund.

There are two forms of endowment fund:

- a permanent endowment fund is one that consists of property (which may be heritable or moveable) that has been gifted to the charity with specific conditions attached and where the capital cannot be spent in any circumstances.
- an expendable endowment fund is one that consists of property (which may be heritable or moveable) that has been gifted to the charity with specific conditions attached and which cannot be spent except in those circumstances specified in the terms of the endowment document.

Normally, the governing document of the charity or the directions of the donor of the endowment will specify how the income from the endowment can be used and therefore whether the income should be included in the accounts as restricted or unrestricted.

Restricted fund:

Restricted funds are funds that can only be used for the particular purposes specified by the donor. For example, if a local authority provides a grant to a local charity to refurbish the community hall, the grant is a restricted fund that can only be used for the purpose for which it was given, in this case refurbishing the hall. Another example would be if a charity carries out an appeal for a particular purpose (for example to purchase a minibus). The money raised by the appeal would be a restricted fund and should only be used for the purpose of the appeal. Income from assets held in a restricted fund (for example interest) will be subject to the same restriction as the original fund unless the terms of the original restriction say otherwise.

Unrestricted fund:

Unrestricted funds are funds that the charity trustees are able to use for any of the charity's purposes. Donations that are not given for a specific purpose would be an unrestricted fund (for example membership fees). Income from these

funds is also unrestricted and can be used for any of the charity's purposes at the discretion of the charity trustees. Charity trustees may decide to earmark part of a charity's unrestricted funds for a particular purpose, for example major repair works. These sums are designated for that purpose and should be accounted for as part of the charity's unrestricted funds.

Q: Within the unrestricted funds how would the charity show its internal decision to ring fence monies for a project etc. which as organisation is concerned is restricted funds?

Where funds are ring fenced by charity trustees these funds are known as designated funds. These still form part of the unrestricted funds of the charity, as, although ringfenced, the charity trustees can decide to use them for a different purpose.

Q: If a grant has been classified as Restricted when it probably should have been classified as Designated to a Project and has not been fully spent, is the process of changing from Restricted to Designated straightforward?

If a grant has been misclassified in the accounts then it should be reclassified. Both the current year and previous year should be restated, showing the correct information. There should then be a note to the accounts to explain the reason for the change.

Governing documents and changes

Q: I am a Trustee of a charity founded in 1960 which is designated a Trust, but the Trust deed is simply the minute of the first inaugural meeting. This falls foul of setting up bank account. What should we do?

You can contact OSCR and see if we hold a copy of the charity's Trust Deed. If we do not, then you may be able to obtain a copy from the Registers of Scotland if the Trust Deed has been registered.

Q: For charities that are membership charities, do the accounts need to be agreed at an AGM before submission to OSCR?

The charity should follow their own governing document which will set out any rules around the agreement of the accounts. This will be individual to each charity.

Q: How do we Change the name of the charity?

Changing your charity's name requires OSCR's consent. More information about the process can be found [here](#).

OSCR Annual returns

Q: Is there a template for the new annual return on the website to make it easier to discuss with the trustees?

Our website shows the questions in each section of the annual return. The information can be found [here](#).

Q: In relation to staff numbers is that employees within UK?

The staff numbers should be the total number of staff the charity directly employs.

Q: If charity is run by volunteers and the trustees are therefore also volunteers do we put them down as trustee and volunteer in the return?

In the volunteer section of the annual return charity trustees should not be included. This is because their numbers are recorded separately on the annual return.

Q: We have work parties doing activities in the local area – all volunteers who turn up for a couple of hours. We don't collect names or if they turn up to more than one work party. Not sure how we should report number of volunteers?

The volunteer numbers are intended to provide a better understanding of the number of volunteers who are operating in the charity sector. This will not be precise as different charities will use different methods for calculating volunteer numbers. Volunteers may also volunteer for more than one charity. In this instance it would be appropriate to take the typical number of volunteers who attend a work party and then multiply this by the number of work parties there are. As long as the charity maintains a record of how the calculation is made and applies it consistently each year then this will be appropriate.

Trustee database

Q: We have Committee members (chair treasurer etc) & Trustees who are different people. For the purposes of submitting accounts, I take it that Committee members are the charity trustees?

Charity trustees are defined as those who are in management and control of the charity. There should be one set of charity trustees who are responsible for the control and management of the charity. Those who are referred to as committee members and those referred to as trustees will all be charity trustees. The

charity's governing document will help you to understand which roles have overall responsibility for the control and management of the charity.

Q: Can you please confirm the situation regarding addresses? Is a home address required or can we use the OSCR postal address for our trustees?

You should provide a home address for charity trustees. This allows us to contact the charity trustees separately to the charity if we need to. This may be appropriate if we lose contact with the charity, or if there is an inquiry and we need to reach out separately to specific charity trustees. It will also allow us to contact an individual if they are no longer a charity trustee.

Q: Is there a deadline for adding charity trustees to OSCR Online?

We would advise charities to enter their charity trustee information as soon as possible, this will ensure that when we start to publish information the Register will be complete.

When a charity submits their first annual return for a year ended on or after 30 June 2025 they will be required to submit charity trustee information before submitting the annual return.

Q: Do we need to put who is Chair or Vice Chair on the online OSCR website?

No; there is no requirement to put the position in OSCR online, you may wish to include this information in the trustee's annual report.

Q: Are Volunteers and Staff names required or is it just Trustees names that will be published?

The only information which will be published on the Scottish Charity Register will be the names of the charity trustees. The names of volunteers and staff names are not routinely gathered by OSCR.

Q: Do the addresses of any of the trustees have to be included in the annual report?

The addresses of trustees do not need to be included in the trustee's annual report. Only the names of the charity trustees.

Q: We have trustees on our accounts that have left prior to the publication regulations coming into effect, if they require an exemption how can this be done prior to submission by end of April (our time to submit)?

Charities should ensure that they have discussed with any previous charity trustees the fact that the accounts being submitted will include their names and check that they do not wish to apply for an exemption. If they do wish to apply

for an exemption then they will be able to do so through the application process on our website, and if awarded then this will extend to the accounts.

Q: Having provided all the trustees information, am I correct in saying that changes made in the next year must be corrected by the treasurer?

The trustee information held by OSCR can be updated by a charity user at any time. When changes are made to the charity trustees, such as appointments, resignations or changes in name or address, the charity has three months to update the information. We would however recommend that changes are made as soon as possible.

Q: Is data cyber secure. Does OSCR have a Cyber security disaster policy should information be hacked?

OSCR takes the security of data seriously and adhere to legislation to ensure the 'Integrity and Confidentiality' of data.

More information can be found at our [privacy statement](#).

What does OSCR do with our information

Q: We are being asked to provide all this extra information. How many searches for information on charities do OSCR get each year?

We receive around 100,000 searches on the Scottish Charity Register each month.

Q: Does anyone at OSCR check what is uploaded?

OSCR staff do not check all accounts which are submitted to us. We do however use the information in several ways. We will undertake random checks relating to quality of accounts compliance and information contained. We also review accounts where we receive a concern about a charity and the information in the accounts can inform our risk assessment of that concern.

Accounts publication

Q: Our accounts are submitted to Companies House, with a message on OSCR redirecting people there. Will that remain the case or will accounts also now be directly available on the OSCR website?

All accounts will now be available directly on the OSCR website.