

Charities (Accounts and Annual Report) Regulations 2011

Table of Contents

Enacting Formula

1 Citation and commencement

2 Definitions

3 Financial statements

4 Accounting Standards

5 Penalties

6 Annual audit or examination of accounts

7 Annual report

7A Annual report for financial year starting on or after 1 January 2018

8 Annual report requirements for charities with gross income or total expenditure exceeding \$500,000

8A Application to institutions of a public character and large charities

8AA Duty to disclose information to general public

9 Revocation

10 Transitional and savings provisions

FIRST SCHEDULE Transition dates for application of requirements relating to accounting standards for certain classes of charities

**SECOND SCHEDULE Modifications to compliance
with financial reporting standards**

**THIRD SCHEDULE Educational institutions specified for
the purposes of regulation 4(10)**

**FOURTH SCHEDULE Requirements relating to audit and examination of
accounts of certain classes of charities**

FIFTH SCHEDULE

No. S 352

**CHARITIES ACT
(CHAPTER 37)**

**CHARITIES
(ACCOUNTS AND ANNUAL REPORT)
REGULATIONS 2011**

In exercise of the powers conferred by sections 13(1), 14(1) and 48 of the Charities Act, MG (NS) Chan Chun Sing, Minister of State, charged with the responsibility of the Minister for Community Development, Youth and Sports, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Charities (Accounts and Annual Report) Regulations 2011 and shall come into operation on 1st July 2011.

Definitions

2.—(1) In these Regulations, unless the contrary intention appears —

“Charities Accounting Standard” means the accounting standards referred to by that name that are made or formulated by the Accounting Standards Council under Part III of the Accounting Standards Act (Cap. 2B);

“company” means a company registered under the Companies Act (Cap. 50);

“Financial Reporting Standards” means the accounting standards referred to by that name that are made or formulated by the Accounting Standards Council under Part III of the Accounting Standards Act;

“institution of a public character” has the same meaning as in section 40A of the Act;

“large institution of a public character” has the same meaning as in regulation 20(6) of the Charities (Institutions of a Public Character) Regulations (Rg 5);

“public accountant” has the same meaning as in the Accountants Act (Cap. 2);

“relevant office” —

- (a) in relation to a society registered under the Societies Act (Cap. 311), means the President, the Treasurer or the Secretary of the society, or their equivalents; or
- (b) in relation to a company, means a member of the board of directors of the company.

(2) For the purposes of the Act and any regulations made thereunder, “financial year”, in relation to a charity which is not a company, means a period of 12 months or, as a transitional measure to change the starting date of the next financial year of the charity, such other period not exceeding 18 months as the charity may adopt.

Financial statements

3.—(1) The governing board members shall, in respect of each financial year of the charity, cause to be prepared financial statements containing —

- (a) an income and expenditure account showing the income and the expenditure of the charity during the financial year;
- (b) a balance-sheet showing the assets, liabilities and funds of the charity at the end of the financial year;
- (c) an explanation of the accounting policies used to prepare the accounts;
- (d) the details of transactions relating to, and the state of, the various funds of the charity;
- (e) notes on —
 - (i) how the funds reflected in the balance-sheet must or may be utilised because of restrictions imposed by donors; and

- (ii) the relationships between, and analyses of, the information contained in the income and expenditure account and balance-sheet; and
 - (f) notes which explain, expand on or provide the circumstances relating to, or other useful information on, the information contained in the income and expenditure account and balance-sheet.
- (2) For each sum disclosed in the financial statements or in the notes to the financial statements, the corresponding sum for the previous financial year shall be stated.
[S 170/2018 wef 01/04/2018]
- (3) The dates covered by the current and previous financial statements shall be stated.
[S 170/2018 wef 01/04/2018]
- (4) Where the gross income in any financial year of a charity does not exceed \$50,000, the governing board members may, in respect of that year, elect to prepare a receipts and payments account and a statement of assets and liabilities, instead of financial statements under paragraph (1).
[S 170/2018 wef 01/04/2018]
- (5) Unless a waiver has been obtained from the Commissioner, the financial statements prepared under paragraph (1) or the account and statement prepared under paragraph (4) shall be signed on behalf of the governing board members by 2 or more governing board members, at least one of whom shall be the holder of a relevant office at the time of signing.
[S 170/2018 wef 01/04/2018]
- (6) Paragraph (4) shall not apply to a charity that is a company.
[S 170/2018 wef 01/04/2018]

Accounting Standards

4.—(1) Subject to paragraph (2), the governing board members of any charity of a class specified in the first column of the First Schedule shall, in respect of each financial year of the charity beginning on or after the corresponding date specified in the second column of that Schedule, prepare financial statements that —

- (a) comply with —
 - (i) the Charities Accounting Standard; or
 - (ii) the Financial Reporting Standards, subject to any requirements or modifications stated in the Second Schedule; and
[S 170/2018 wef 01/04/2018]
- (b) give a true and fair view of the financial transactions and the state of affairs of the charity as at the end of the period to which they relate.

[S 170/2018 wef 01/04/2018]

(2) Notwithstanding paragraph (1), the governing board members of any charity of a class specified in the first column of the First Schedule that holds significant investments in any subsidiary, associate or joint venture of the charity that is not a charity shall, in respect of each financial year of the charity beginning on or after the corresponding date specified in the second column of that Schedule, prepare financial statements that —

- (a) comply with the Financial Reporting Standards, subject to any requirements or modifications stated in the Second Schedule; and

[S 170/2018 wef 01/04/2018]

- (b) give a true and fair view of the financial transactions and the state of affairs of the charity as at the end of the period to which they relate.

[S 170/2018 wef 01/04/2018]

[S 170/2018 wef 01/04/2018]

(3) Where the financial statements prepared in accordance with the requirements under paragraph (1)(a) or (2)(a), as the case may be, would not give a true and fair view of the financial transactions and the state of affairs of the charity as at the end of the period to which they relate, the financial statements need not comply with those requirements to the extent that the non-compliance is necessary for the financial statements to give a true and fair view of the financial transactions and the state of affairs of the charity.

[S 170/2018 wef 01/04/2018]

(4) In the event that any financial statements do not comply with any of the requirements under paragraph (1)(a) or (2)(a), as the case may be, the auditor of the charity shall include in his report on his audit of the accounts of the charity —

- (a) a statement that he agrees that such non-compliance is necessary for the financial statements to give a true and fair view of the financial transactions and the state of affairs of the charity;

[S 170/2018 wef 01/04/2018]

- (b) particulars of the non-compliance, the reasons therefor and the effect, if any, of the non-compliance; and

- (c) such further information and explanations as will give a true and fair view of the financial transactions and the state of affairs of the charity.

[S 170/2018 wef 01/04/2018]

(5) The financial statements of a charity need not comply with any requirement under paragraph (1)(a) or (2)(a), as the case may be, if —

- (a) the Commissioner has given his approval for such non-compliance; and
- (b) the financial statements comply with any other requirements that the Commissioner may specify.