

## Selection 4: Accounting for branches, charity groups and combinations

### 23. Overview of charity combinations

- 23.1. Charities may operate through branches or group structures or share resources, knowledge or service arrangements by working with other charities or non-charity entities to further shared objectives by establishing joint arrangements, activities and operations.
- 23.2. The accounting to be followed for the combination or joint venture depends on the substance of the arrangement and what form it takes, the nature and level of control exercised and whether that control is exercised over the other entity. Depending on the nature of the arrangement, the charity must refer to:
- the SORP module '[Charity mergers](#)';
  - the SORP module '[Accounting for associates](#)';
  - the SORP module '[Balance sheet](#)';
  - the SORP module '[Accounting for joint ventures](#)';
  - the SORP module '[Branches, linked or connected charities and joint arrangements](#)'; or
  - the SORP module '[Accounting for groups and the preparation of consolidated accounts](#)'.
- 23.3. If the reporting charity is itself a subsidiary, it must refer to the SORP module '[Charities as subsidiaries](#)'.
- 23.4. Related party transactions between a parent charity and its subsidiaries, associates and joint ventures must be disclosed. Similarly, in those circumstances where charities have trustees in common, consideration should be given as to whether the circumstances are such that related party disclosures are required. Refer to the SORP module '[Disclosure of trustee and staff remuneration, related party and other transactions](#)'.
- 23.5. Figure 2 provides a guide to which module to refer to when deciding on the accounting for a charity combination.
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Figure 2: Guide to accounting for charity combinations

