

Annual Accounts

Checklist

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If you have any feedback on the content of these resources, or additional questions that you’d like to discuss, please contact the SGA:
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Annual Accounts checklist

Note: these checklists should be read in conjunction with the Annual Report checklist. Separate checklists are provided below for companies and charities outlining the legal and regulatory requirements as well as good practice. Organisations which are both should ensure that they fulfil the accounting obligations under all relevant legislation.

The Code for Sports Governance requires (Req. 5.5) that an organisation must prepare annual accounts which:

- Comply with legal requirements and recognised accounting standards
- Give specific disclosure of income received from public investors and clearly account for the expenditure of such funding
- Are audited (unless otherwise agreed by Sport England and/or UK Sport)
- Are published on the organisation's website

Directors should ensure that annual accounts are transparent and understandable to their members, investors and to the general public.

The checklists below are aimed at helping organisations to provide all necessary details that are applicable to their circumstances.

Companies

Introduction

All companies are required to keep accounting records that are sufficient to show and explain the company's transactions and to disclose, with reasonable accuracy, its financial position at any time.

Directors are required to prepare accounts that give a true and fair view of the assets, liabilities, financial position and profit or loss in respect of each financial period, usually 12 months, and to circulate copies to their members.

The Companies Act (Strategic Report and Directors' Report) Regulations 2013, which apply to all companies – unless exempt as small – introduce a requirement to prepare a strategic report as part of their annual report. This must include appropriate financial and non-financial key performance indicators to aid an understanding of performance. See the separate checklist on annual reports.

Accounts – approval

Accounts, whether audited or not, must be prepared and approved by the board of directors and issued to the company's members, any debenture holders and anyone else entitled to receive notice of general meetings.

Although members of a public company consider and receive the accounts in general meetings and can vote on whether or not to accept them, they do not, strictly speaking, approve them. If the members reject them, the directors are not obliged to amend the accounts unless they contain a factual error. However, non-acceptance of accounts will be regarded as a vote of no confidence in the board.

Checklist

- Convene a directors' meeting for directors to approve the accounts. Ensure valid quorum present.
- The strategic report and directors' report must be signed by a director or by the company secretary, as required.
- The balance sheet must be signed by at least one director.
- The name of the person(s) signing the directors' report, strategic report, remuneration report (if any) and balance sheet must be stated.
- If audited, the audit report must be signed by the auditor, if an individual, or by the senior statutory auditor, in the case of a firm, and the person's name and the date of approval shown.
- The name of the senior statutory auditor may be omitted if there are concerns over safety.
- Small companies must issue to their members the accounts in the same format as those placed on the public record. In the case of a private company it must send out its accounts to members before the end of the period allowed for filing the accounts (usually nine months). In the case of a public company, the accounts must be sent out at least 21 days before the date of the meeting to receive them.
- Full or abridged accounts must be filed at Companies House by the due date.

Procedure

- Convene a directors' meeting to consider the accounts and to convene a general meeting. Ensure valid quorum present.
- Final draft of the accounts to be approved by the directors.
- The directors' report, strategic report and the balance sheet must be signed. The directors' report and strategic report can be signed by the company secretary or a director; however, the balance sheet must be signed by at least one director. The published accounts must include the names of the director and/or company secretary who have signed the balance sheet and directors' report.
- The same director can sign the directors' report, strategic report, directors' remuneration report (if any) and the balance sheet.
- If the accounts are audited, signed copies must be returned to the auditors so that the audit report can be signed.
- Once signed, a copy of the accounts must be filed with the Registrar of Companies within the appropriate period.
- Copies of the accounts must be sent to the members and public companies must convene a general meeting of the members within six months. Private companies are exempted from the obligation to convene a members' meeting unless required to do so by their articles of association.

- Companies, if authorised to do so by individual members, may issue the strategic report and supplemental material to the members in place of the full accounts, provided that the full accounts are made available on request. This replaces the option to issue a summary financial statement which has been withdrawn.
- Certain companies may file abridged accounts with the Registrar of Companies.
- Full accounts will be required for submission to HM Revenue & Customs.
- Additional copies will normally be sent to the company's bankers.
- The usual period for delivery of accounts to the Registrar is nine months from the end of the accounting period for a private company, and six months for a public company. However, if the accounts are the first accounts and are for a period of more than 12 months, the accounts must be submitted no later than nine months (six months for a public company) from the first anniversary of incorporation, or three months from the end of the period – whichever expires later.
- Where the accounting period has been shortened, the period for delivery of the accounts is nine months for private companies and six months for public companies from the end of the period, or three months from the date of notice – whichever expires later.
- The Registrar of Companies imposes penalties for late submission of accounts. When setting the accounting reference date, care must be taken to ensure that the accounts can be prepared in time to submit them to the Registrar of Companies.

Filing requirement

- Full or abridged copy of the accounts within 21 months of the start of the accounting period for a private company (usually nine months after the year-end) and within 18 months of the start of the accounting period for a public company (usually six months after the year-end).

Notes

- Accounts must have original signatures on the directors' report, strategic report, directors' remuneration report, audit report (if audited) and balance sheet.
- The name of the person signing must be shown.
- The company registration number must be shown on the first page.
- As the Registrar will unbind and discard any folder, an unbound copy of the accounts should be filed.
- The accounts must be legible and be capable of being digitally scanned. Accordingly, it is best to file typed accounts printed on plain paper. Accounts printed on coloured or glossy paper or with graphics are likely to be rejected as illegible.
- As the accounts are not subject to member approval, it is not necessary to wait until after the general meeting at which the accounts are received by members before filing a copy of the accounts with the Registrar of Companies. The s. 172 statement applies to financial years beginning on or after 1 January 2019.

Accounts – exemption from audit

Small private companies and dormant public companies qualify for exemption from audit if they satisfy certain criteria. These companies do not need to apply for the exemption; they are automatically exempt if they qualify.

For accounting years beginning on or after 1 January 2016, qualifying subsidiary companies can claim exemption from audit. Subsidiary companies that are public (unless they are dormant), regulated under FSMA and members of ineligible groups cannot take advantage of the new exemption.

Shareholders holding between them at least 10% of the company's issued share capital, or 10% of the members in the case of a company without share capital, may give notice to the company requiring that the accounts be audited, provided that the notice is given no later than one month prior to the end of the financial year.

Checklist

- Total exemption is available to companies:
 - that qualify as a small company in relation to that year by meeting any two of the following:
 - whose turnover does not exceed £10.2 million in that year; or
 - whose balance sheet total for that year does not exceed £5.1 million; or
 - whose average number of employees is not more than 50.
- A company is not entitled to exemption from audit if at any time during the financial year:
 - it was a public company, unless it was dormant; or
 - it was a banking or insurance company, e-money issuer, a MiFID investment firm, a UCITS management company or carried on insurance market activities; or
 - it was a special register body or an employers' association as defined in the Trade Union and Labour Relations (Consolidation) Act 1992 or the Industrial Relations (Northern Ireland) Order 1992.
- A company that is a parent or subsidiary undertaking at any time during the financial year is not entitled to exemption from audit unless:
 - the group qualifies as small and was not at any time during that year an ineligible group (see below);
 - turnover of the whole group does not exceed £10.2 million net or £12.2 million gross; and
 - the group's continued balance sheet total does not exceed £5.1 million net or £6.1 million gross.
- A company that is a dormant subsidiary throughout the period is not excluded from qualifying as small under s. 479(2).
- A group is ineligible if any member of the group is:
 - a traded company;
 - a corporate body whose shares are admitted to trading on a regulated market in an EES State;
 - a person authorised under FSMA2000 to carry on a regulated activity;
 - a small company that is an authorised insurance company, banking company, e-money issuer, MiFID investment firm or a UCITS management company; or
 - a person who carries on insurance market activity.

Procedure

- There is no procedure; exemption is automatic if the criteria are met.
- To qualify for the subsidiary company exemption, the following must be filed prior to the expiry of the period allowed for filing accounts. In practice these are usually submitted at the same time as the subsidiary's accounts are filed at Companies House:
 - Written notice that all members agree to the exemption.
 - Form AA06 – statement from parent undertaking that it guarantees the subsidiary.
 - Copy of parent undertaking's consolidated accounts, including a copy of the auditor's report and annual report on these accounts.

Filing requirement

- Copy of the accounts within the appropriate timescale, usually six months for a public company or nine months for a private company.
- Copies of the accounts are still required to be circulated to members within the appropriate timescale: six months for a public company and nine months for a private company.

For subsidiary exemption

- Written notice that all members agree to the exemption.
- Form AA06 – statement from parent undertaking that it guarantees the subsidiary.
- Copy of parent undertaking's consolidated accounts, including a copy of the auditor's report and annual report on these accounts.

Notes

- A company that qualifies for exemption from audit is also exempt from the obligation to appoint auditors.

Accounts – filing period

All companies except dormant subsidiaries, whether trading or not, must prepare accounts and file a copy with the Registrar of Companies. Dormant subsidiaries may take an advantage not to file accounts with Companies House provided those accounts are consolidated in their parent company accounts, all the members consent, the parent company guarantees the liabilities of the subsidiary and relevant notifications are made to the Registrar. The accounts are prepared in respect of each accounting period.

Accounting periods begin at the conclusion of the previous period, or the date of incorporation, and end on the accounting reference date.

There are strict timescales for the filing of accounts and financial penalties imposed when accounts are filed late.

Accounts must be filed even where the company does not or has never traded.

Checklist

- Accounts for a private company must be filed within nine months of the accounting reference period ending, unless:
 - it is the first accounting period and is for a period of greater than 12 months – the deadline is three months after the period end or 21 months from the date of incorporation, whichever is later; or
 - the company has shortened its accounting period – the deadline is nine months from the end of the new period or three months after the change was registered at Companies House, whichever expires last.
- Accounts for a public company must be filed within six months of the accounting reference period ending, unless:
 - it is the first accounting period and is for a period of greater than 12 months – the deadline is three months after the period end or 18 months from the date of incorporation, whichever is later; or
 - the company has shortened its accounting period – the deadline is six months from the end of the new period or three months after the change was registered at Companies House, whichever expires last.
- Whether the filing period follows the period allowed for a private or public company is determined by the company's status immediately before the end of the relevant period.
- When calculating the filing deadline, it should be noted that the date of the month is the same date in the appropriate month corresponding to the accounting reference date. Thus a private company with an accounting reference date of 10 January must file its accounts no later than 10 October following.
- If the accounting reference date is the last date of the month, the filing period ends on the last day of the appropriate month. Thus a private company with an accounting reference date of 30 April must file its accounts no later than 31 January.
- If the accounting reference date is the 29th or 30th (and not the last day of that month) and the appropriate deadline month is February, the filing period ends on the last day of February in that year.

Accounts – late filing penalties

If accounts, whether audited or dormant, are received by the Registrar of Companies after the due date for filing has passed, the company will be fined according to a sliding scale.

It should be noted that the onus is on directors to deliver accounts to the Registrar of Companies within the specified time. It is not sufficient to show that they were posted within the specified time.

Late filing penalties do not apply to annual returns.

The scale of penalties is as follows:

	Private	Public
Less than one month late	£150	£750
Between one and six months late	£375	£1,500
Between three and six months late	£750	£3,000
More than six months late	£1,500	£7,500

Notes

- The penalties are imposed on the company, not the directors, and are a civil matter. However, under certain circumstances, the directors may also be prosecuted for failure to submit accounts on time. This is a criminal offence, and on conviction a maximum fine of £2,000 may be imposed by the court for each separate offence.
- Unlimited companies do not need to file copies of their accounts with the Registrar of Companies.
- The penalties are doubled if a company files its accounts late in two successive financial years beginning on or after 6 April 2008.

Accounts – medium-sized companies

Companies qualifying as medium-sized can prepare accounts under special provisions applicable to medium-sized companies and can choose to submit reduced information to Companies House.

Checklist

- In order to qualify or to be treated as qualifying as a medium-sized company in respect of any particular financial year, the company must be or have been medium-sized during one or more of the following periods:
 - in its first financial year;
 - in that year and in the year before;
 - in that year and if the company qualified in the year before; or
 - in the preceding year and if the company qualified as medium-sized in respect of that year.
- A medium-sized company is one that meets at least two of the following requirements:
 - turnover not exceeding £36 million;
 - balance sheet total not exceeding £18 million; and
 - average number of employees not exceeding 250.
- A company does not qualify if at any time during the financial year it was:
 - a public company;
 - authorised under Part 4 FSMA2000 to carry on a regulated activity or carry on insurance market activities; or
 - a member of an ineligible group.
- A group is ineligible if any of its members is:
 - a public company;
 - a corporate body whose shares are admitted to trading on a regulated market in an EES State;
 - a person (other than a small company) authorised under FSMA2000 to carry on a regulated activity;
 - a small company that is an authorised insurance company, banking company, e-money issuer, MiFID investment firm or a UCITS management company; or
 - a person who carries on insurance market activity.

Procedure

- The information required for medium-sized accounts must include:
 - full balance sheet;
 - profit and loss account;
 - special auditors' report unless exempt from audit;
 - directors' and strategic reports; and
 - full notes.

Filing requirement

- Copy of the medium-sized accounts within the appropriate timescale, usually six months for a public company and nine months for a private company.

Notes

- As with the exception of the profit and loss account and the omission of an analysis of non-financial key performance, medium-sized accounts are the same as full accounts; there may be little practical benefit from utilising the exemption.
- Copies of the full statutory accounts, omitting, if desired, disclosures relating to compliance with accounting standards and related party transactions, are still required to be circulated to members within the appropriate timescale: six months for a public company and nine months for a private company.

Accounts – small-sized companies

Companies qualifying as small-sized may file small company abridged accounts with the Registrar of Companies and circulate these to their members.

Checklist

- In order to qualify or to be treated as qualifying as a small-sized company in respect of any particular financial year, the company must be or have been small-sized during one or more of the following periods:
 - in its first financial year;
 - in that year and in the year before;
 - in that year and if the company qualified in the year before; or
 - if the qualifying conditions were met in the preceding year and the company qualified as small-sized in respect of that year.
- A small-sized company is one that meets at least two of the following requirements:
 - turnover not exceeding £10.2 million;
 - balance sheet total not exceeding £5.1 million; and
 - average number of employees not exceeding 50.
- A company does not qualify if at any time during the financial year it was:
 - a public company;
 - an authorised insurance company, banking company, e-money issuer, MiFID investment firm or a UCITS management company; or
 - a member of an ineligible group.
- A group is ineligible if any of its members is:
 - a public company;
 - a corporate body whose shares are admitted to trading on a regulated market in an EES State;
 - a person (other than a small company) authorised under FSMA2000 to carry on a regulated activity;
 - a small company that is an authorised insurance company, banking company, e-money issuer, MiFID investment firm or a UCITS management company; or
 - a person who carries on insurance market activity.

Procedure

- The information required for abridged accounts of a small-sized company is:
 - full balance sheet;
 - a statement above the director's signature on the balance sheet that the accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime; and
 - an audit report unless the company qualifies for and takes advantage of exemption from audit.

Filing requirement

- Copy of the abbreviated accounts within the appropriate timescale – usually six months for a public company and nine months for a private company.

Notes

Small companies must now place on public record the same set of accounts and reports as circulated to its members. Previously, companies circulated full accounts to their members and could opt to file abbreviated accounts for the public record.

Accounts – micro-sized companies

Within the category of small companies is a sub-set for extremely small or micro companies.

Checklist

- In order to qualify or to be treated as qualifying as a micro-sized company in respect of any particular financial year, the company must be or have been micro-sized during one or more of the following periods:
 - in its first financial year;
 - in that year and in the year before; or
 - if it fails to qualify in that year but the company qualified in the year before.
- A micro-sized company is one that meets at least two of the following requirements:
 - turnover not exceeding £632,000;
 - balance sheet total not exceeding £316,000; and
 - average number of employees not exceeding 10.
- A company does not qualify if at any time during the financial year it was:
 - a company excluded from the small companies regime by virtue of s. 384;
 - an investment undertaking;
 - a financial holding undertaking;
 - a credit or insurance institution; or
 - a charity.
- A company does not qualify if:
 - it is a parent company which prepared group accounts; or
 - the company is not a parent but its accounts are included in consolidated group accounts for that year.

Procedure

- The information required for micro-sized accounts is:
 - balance sheet;
 - special auditors' report unless exempt from audit; and
 - relevant notes.
- Additionally there must be the following note to the accounts:
 - a statement above the director's signature on the balance sheet that the directors have relied on the exemptions the company is entitled to benefit from as a micro-sized company.

Filing requirement

- Copy of the micro-entity accounts within the appropriate timescale, usually six months for a public company and nine months for a private company.

Notes

- As with the exception of the profit and loss account, abbreviated micro-sized accounts are the same as full accounts; there is little practical benefit from utilising the exemption.
- Small companies must now place on public record the same set of accounts and reports as circulated to its members. Previously, companies circulated full accounts to their members and could opt to file abbreviated accounts for the public record.

Charities

Annual accounts and annual trustees' report

Introduction

A charity holds funds and assets in order to pursue its charitable purposes for the public benefit. So the wider public, as well as donors, funders and charity regulator(s), have an interest in the correct custody and application of those funds. Timely filing of annual accounts and the annual trustees' report is also a key driver of public trust and confidence. Those are key reasons why charity regulators are so insistent that annual accounts and trustees' reports must be properly prepared, in compliance with the law, and filed within relevant time limits.

Annual accounts and trustees' reports are an integral part of a charity's public accountability. Oversight of public accounting and reporting compliance by charities is a key function of charity regulators.

Charitable companies should ensure that they fulfil relevant accounting requirements under the Companies Act.

Checklist

- Most charities must prepare an annual trustees' report to accompany their annual accounts – see the separate checklist on annual reports.
- Most charities have a statutory obligation to have either an audit or an independent examination of their annual accounts. (Sometimes this is an obligation imposed by the charity's own constitution.)
- Annual accounts are a matter of public record and the public have the right to access these documents. The method of access may be via the charity regulators' websites or via Companies House or by a request to the charity for a copy of the most recent accounts.
- Every copy of the accounts issued should be accompanied by the relevant trustees' report.
- Every copy of the accounts issued by a charitable company limited by guarantee must also state the names of the signatories to the trustees' report and the balance sheet.

The main legal and reporting requirements and standards are as follows:

England and Wales	
Unincorporated charities	<ul style="list-style-type: none">• Charities Act 2011• Charities (Accounts and Reports) Regulations 2008 SI 2008/629• Charities SORP
Companies limited by guarantee	As above and Companies Act 2006
Charitable Incorporated Organisations	<ul style="list-style-type: none">• The Charitable Incorporated Organisations (General) Regulations 2012 SI 2012/3013• Charities SORP
Scotland	
Unincorporated charities	<ul style="list-style-type: none">• Charities and Trustee Investment (Scotland) Act 2005

	<ul style="list-style-type: none"> • Charities Accounts (Scotland) Regulations 2006 SSI 2006/218 • Charities Accounts (Scotland) Amendment Regulations SSI 2010/287 CA 2006 • Charities SORP
Companies limited by guarantee	As above and Companies Act 2006
Scottish Charitable Incorporated Organisations	<ul style="list-style-type: none"> • Charities and Trustee Investment (Scotland) Act 2005 • Charities Accounts (Scotland) Regulations 2006 SSI 2006/218 • Charities Accounts (Scotland) Amendment Regulations SSI 2010/287 CA 2006 • Charities SORP • The Scottish Charitable Incorporated Organisations Regulations 2011 SSI 2011/44

Table of accounting thresholds (England & Wales)

Annual gross income	Type of accounts	Type of scrutiny
Below £25,000	Receipts and payments option (<i>not</i> : companies)	None (unless audit required)
Above £25,000 but below £250,000	Receipts and payments option (<i>not</i> : companies)	Independent examination option unless audit required for any reason
Above £250,000 but below the current Charities Act audit threshold of £500,000	Accruals	Independent examination option unless accounts value of gross assets more than £3.26m or audit required for any other reason
Above £500,000	Accruals	Charities Act audit – unless Companies Act audit is Required

The Charities Act accounts scrutiny requirement is for a statutory audit (unless, in the case of a charitable company, a Companies Act audit is required for any reason) if the year's gross income for any charity exceeds £500,000, or if it exceeds £250,000¹ and the balance sheet value of the charity's gross assets exceeds £3.26m, with an option for independent examination below that level and above £25,000 gross income.

Above £250,000 gross income, only an appropriately professionally qualified examiner is eligible to carry out an independent examination of the charity.

Those charities with an annual gross income of up to £10,000, i.e. those within the 'light touch' regulatory regime, need not submit a copy of their annual report and accounts to the

¹ The 'accounts threshold' of £250,000 gross income and all the other Charities Act accounting thresholds are amendable by statutory instrument.

Charity Commission unless they are specifically asked for them – as is also the case for all excepted charities and for all registered charities with up to £25,000 gross income.

Scotland

- Scotland has its own accounting legislation to underpin the Charities SORP and to regulate the accounts and reports of charitable companies, as well as to regulate accounts prepared on the alternative basis of receipts and payments for small non-company charities. Chapter 6 of the Charities and Trustee Investment (Scotland) Act 2005 requires all charities to maintain 'proper' accounting records and to prepare from them and file with the OSCR within nine months an annual 'statement of account', including a trustees' report, in accordance with Regulations made under s. 44(4) of the 2005 Act, and to retain all this information for at least six years from the end of the financial year to which it relates.
- The main differences from the SORP's English 2008 Regulations are that its related Scottish Regulations (SSI 2006/218, as amended by SSI 2010/287) require:
 - full compliance with the SORP's 'methods and principles' for all accruals-based accounts (charitable companies included) as well as for the trustees' report accompanying them;
 - accounts on the alternative receipts and payments basis permitted by reg 9 to be drawn up as specified in Part 1 of Sch 3 thereto, with certain additional information as set out in Part 2 of Sch 3 unless provided in the accompanying trustees' report, for which Sch 2 specifies the minimum information to be disclosed;
 - a statutory audit of all accruals accounts where the balance sheet value of the charity's gross assets exceeds £3.26m (£2.8m for financial years starting before 1 April 2011); and
 - an independent examination in all cases where a statutory audit is not required.
- The Scottish Regulations permit (but do not require) the combining of annual accounts into a single set, covered by a single trustees report, for all 'connected charities' (meaning those with common or related charitable purposes or which are under common trusteeship or are administered in common). In that circumstance, the statutory audit or independent examination requirement is determined by reference to the charity with the highest gross income (not the aggregate for all of them).
- There is no statutory or non-statutory concession for the Office of the Scottish Charity Regulator to be able to dispense with a parent charity's own Statement of Financial Activity if it files group consolidated accounts with the OSCR. This is because, unlike the English Regulations, the SORP's Scottish Regulations overlay the Companies Act's accounting provisions and specifically require consolidated accounts in addition to the parent charity's own accounts.
- Instead of English charity law's requirement of a list of assets and liabilities where receipts and payments accounting is adopted, Part 1 of Sch 3 to reg 9 of the Scottish Regulations requires a year-end 'statement of balances'.
- For the trustees' report, accompanying accounts prepared under reg 9, Sch 2 specifies similar information to that required by the SORP where the charity is below the statutory audit threshold, but also requires an analysis of donated facilities and services, if any, that the charity received during the financial year. (These non-cash transactions will not be reported in the receipts and payments account.)

Procedure

- Prepare accounts and trustees' report in accordance with relevant legal requirements and applicable reporting standards.
- Arrange approval of accounts and approval of the annual trustees' report, also arrange authorisation of signatories for the accounts and for the trustees' report. (Note members' approval of the accounts may be required in some unincorporated membership charities; see 'Annual accounts – approval'.)
- Ensure audit or independent examination of the accounts is completed as required by law or by the constitution.
- Arrange distribution of copies to members (if applicable).
- Ensure filing deadlines are met (note that filing with more than one regulator may be necessary and filing deadlines are *not* the same for all regulators).

Filing requirements

See below, 'Annual accounts – approval'.

Notes

- The Charity Commission makes all filed accounts and reports available online on its website. So does Companies House.
- The OSCAR does not yet make all charity accounts available online. However, for charities that are companies it does provide a live link to the Companies House website, where a search can locate the company and copies of its filed accounts can be accessed.

More information

Charities SORP: www.charitySORP.org.

Annual Accounts – approval

Introduction

A charity's annual accounts need formal approval.

In a charitable trust, without members, that approval will be given by the trustees.
In an unincorporated members' association, it is common for the charity's constitution to require approval by the members (usually at the AGM).

In a company limited by guarantee, the annual accounts must be approved by the trustees before they are audited/independently examined and copies sent to the members. The accounts may also be presented to the members at the AGM, if the articles require this or the trustees consider it appropriate (it is not a statutory requirement to do so).
In a CIO or a SCIO, the accounts must be approved by the trustees.

In other types of membership charity, the constitution and/or law or regulation may require approval by the members.

Checklist

- Consider who is required to approve the accounts (trustees or members).
- Distinguish requirements for formal approval from requirements to circulate copies to members and/or present the accounts to the members at the AGM.
- The CA 2006 requires approval of the accounts and authorisation of the signatory to the balance sheet (who signs on behalf of the board) and also approval of the directors' report (i.e. the annual trustees' report) and authorisation of the signatory to the report (who signs on behalf of the board).
- The balance sheet must be signed by at least one trustee on behalf of the board; the name(s) of the signing trustee must be stated together with the date of approval.
- If audited, the audit report must be signed by the auditors and the date of approval shown. If the auditors are a firm, the audit report must be signed by the senior statutory auditor, who must sign in their own name on behalf of the firm and their name must be stated. [The name of the senior statutory auditor may be omitted if there are risks to personal safety (conditions apply).]
- If the accounts have been independently examined, the independent examiner must sign the independent examiner's report, stating the examiner's name and relevant qualifications.

Procedure

- CLG/CIO/trust – convene a board meeting to approve the accounts and authorise the signatory (it is both usual and sensible also to approve the trustees' report and the signatory to that report at the same meeting).
- Other types of charity – if the formal approval of the accounts by the members is required, make appropriate arrangements for that.
- Ensure the correct full charity name is stated.
- Ensure the registered charity number is included and is correct. If the charity is a cross-border charity, include its Scottish Charity number as well.
- CLG – ensure the registered company number is included and is correct (it must appear at least on the first page).
- Arrange completion of audit or independent examination procedures. Note that the auditors/independent examiner will need a signed copy of the final approved

accounts in order to complete the audit or examination and issue a signed copy of their report to the trustees.

- Circulate copies of the accounts and accompanying annual trustees' report to members and others entitled to receive copies.
- Arrange presentation to the members at the AGM (if appropriate or required).
- CLG – after the accounts have been approved by the trustees, full copies of the final accounts must be circulated to all members, any debenture holders (there are unlikely to be any in a charitable company) and to anyone else entitled to receive notice of general meetings. The copies must be sent out before the end of the period allowed for filing accounts at Companies House.
- Arrange filing at Companies House (CLGs).
- Arrange filing with charity regulator(s).

Filing requirements

- Signed copies of the accounts must be filed at Companies House within nine months of the year-end. Where electronic filing is used, relevant security and verification procedures must be followed.
- Copies must also be filed with the appropriate charity regulator(s) (unless exemptions apply). The time limit for filing with the Charity Commission is 10 months (from the financial year-end); for filing with the OSCR the time limit is nine months.

Notes

- Although the signatory for the balance sheet must be one of the trustees, the board can authorise the CLG's secretary to sign the trustees' report. It is more sensible to authorise a trustee to sign both items.
- The trustees must provide a copy of the most recent annual accounts to anyone who makes a written request. A two-month time limit applies.
- The Charity Commission makes copies of filed accounts available to the public on the Commission's website. The OSCR does not do this for charities on the Scottish Charity Register.
- Companies House makes copies of filed company accounts available to the public on its website.
- Ensure copies provided to Companies House and charity regulator(s) comply with relevant document filing regulations and standards. (Documents must be suitable for digital scanning and digital imaging.)
- Also ensure the copies filed include all required names and that signatories state their capacities (e.g. senior statutory auditor), as well as original signatures (or electronic equivalents).

Date of approval

January 2022

Date of next review

January 2023