

Key accounting and corporate maintenance requirements

This factsheet covers information on accounting and corporate maintenance principles. Please also consider the information set out in the **Corporate Governance and Trustees Factsheet**.

	Charitable Company (limited by guarantee)	Charitable Incorporated Organisation
Accounting requirements	<p>Charitable companies must keep accounting records and, subject to the availability of statutory exemptions, and prepare audited annual accounts.</p> <p>Charitable companies must also file annual returns and accounts with the Charity Commission in addition to the filings made at Companies House (Part 8, The Charities (Accounts and Reports) Regulations 2008 (the "CAR 08")).¹</p>	<p>Financial statements and an annual return must be filed with the Charity Commission each year.</p>
Corporate Maintenance	<p>All charitable companies are regulated by both company and charity law.</p> <p>1. Company Law:</p> <p>The company must keep accounting records and prepare annual accounts (s 441 CA 06). File annual accounts at Companies House 9 months from the relevant company's accounting reference date (s 442 CA 06). Unless an exemption applies these annual accounts must be consolidated for parent entities.</p> <p>Depending on whether certain criteria apply, the annual accounts may be required to include a strategic report (describing the company's business activities and year-end performance) and/or a directors' report, describing certain matters (s 414A(1) CA 06).</p> <p>Filings must be made at Companies House upon certain events occurring including but not limited to: (i) a change of any company details (e.g. registered address, name); (ii) appointment or removal of directors or secretary; and (iii) on an annual basis, a confirmation statement to identify any changes to the company during the prior year.</p> <p>2. Charity Law:</p> <p>Notifications to the Charity Commission</p> <p>In addition to the requirements of a limited company, and the obligation to file accounts and an annual report with the Charity</p>	<p>Unlike charitable companies, CIOs simply need to comply with charity law and the requirements of the Charity Commission with regards to reporting and company maintenance.</p>

¹ Guidance on annual accounts for Charities can be found [here](#).

	<p>Commission, the charity trustees of all registered charities must notify the Commission if:</p> <ul style="list-style-type: none"> • the charity ceases to exist; • there is any change in its trusts; or • there is any change in the particulars that were filed at registration.² <p>Reporting requirements</p> <p>With effect from 1 January 2023, the reporting requirements have been increased meaning that there is now a more comprehensive (and therefore extensive) list of questions in respect of the breakdown of income and spend on a charitable company's annual report.³</p> <p>Currently, charities with income over £1 million are required to outline how many staff are paid more than £60,000, outlining the number of staff in £10,000 incremental bandings. It is also mandatory for these charities to outline the compensation of key management personnel. Both of these disclosures are required to be included in the financial statements and filed with the Charities Commission.</p> <p>A registered charities with gross income in its last financial year exceeding £10,000 is required to state it is a registered charity in certain documents soliciting money or property on its behalf, and in financial documents signed on its behalf and file an annual return, report and accounts with the charity commission.</p> <p>Charities also must have regard to specific duties when making investments and must comply with charity law rules on funding, trading, campaigning and political activity.</p>	
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The information in this guide is for information purposes only and should not be relied on as a statement of law or substitute for appropriate advice.

If you are a charity or not-for-profit organisation that requires legal advice, please contact LawWorks at nfp@lawworks.org.uk for further information about our services or submit an application via the [LawWorks website](#).

² Guidance on reporting changes to a Charity's details can be found [here](#).

³ The government have released a guide on what has changed. The updated Annual Return will apply to charities' financial years ending on or after 1st January 2023. [Charity Annual Return 2023: question guide - GOV.UK \(www.gov.uk\)](#).