



## Historical reporting thresholds for charities

The framework for accounting and reporting has evolved significantly over the years. The Charities Act 2006 simplifies the rules about when a professional audit is required, and reduced and later eliminated the differences in the thresholds for company and non-company charities. These changes were subsequently reflected in the provisions of the Charities Act 2011. However in the past, the accounting and reporting requirements were more complicated because charitable companies had to comply with specific thresholds set out under company law which were quite different to those applying to non-company charities.

### Audit, independent examination and other thresholds

[Charity Reporting and Accounting: The essentials April 2009 \(CC15b\)](#) sets out the current thresholds which apply for accounting periods ending on or after 1 April 2009.

Charitable companies still need to report separately to us and to Companies House when filing their report and accounts and must compile their accounts and Director's report in compliance with company law.

However, we realise that from time to time, charities, their advisors and others will want to refer back to the requirements for accounting and reporting which applied to earlier financial years. The tables below should help clarify the requirements applying to those years.

### How to use this guidance

Before reading this guidance, you will need to know:-

- which financial year(s) you are interested in;
- what the level of income and expenditure was for the charity in question;
- if the charity is a charitable company its total assets (before liabilities) for any year beginning prior to 27 February 2007 but from thereafter you will need to know the total assets of the charity, whether a charitable company or not;
- whether the charity's governing document requires an audit.

The guidance is in the form of five tables. Each table is headed by the financial year to which the thresholds set out in the table apply. Each table is laid out in a sequence of non-company thresholds first, followed by charitable company thresholds, and additional information for excepted charities and exempt charities. A charitable company for the purposes of the tables is one which is incorporated under the Companies Acts and for thresholds that apply to any other form of company charity refer to the non-company thresholds for the relevant period.

The tables are in the following order:

- Charities with financial years beginning on or after 1 March 1996 (up to 31 March 2005).
- Charities with financial years beginning on or after 1 April 2005 (up to 26 February 2007).
- Charities with financial years beginning on or after 27 February 2007 (up to 31 March 2008).
- Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) and which ended on or after 31 March 2009.
- Charities with financial years ending on or after 1 April 2009.

## Scrutiny and filing thresholds for registered and scrutiny thresholds for excepted charities since 1996

Table A: Charities with financial years beginning on or after 1 March 1996

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Non-company charities (including excepted charities)	Gross income (or total expenditure) is £10,000 or less	Accounts must be prepared but not filed Receipts and payments OR accruals based on SORP and Regulations*	No requirement if below £10,000 (unless required by Governing Document)	Only if registered must a report be prepared but it may be simplified	Annual Information Return only.
	Gross income (or total expenditure) > £10,000 but income not > £100,000	Receipts and payments OR accruals based on SORP and Regulations*	Must have outside scrutiny but trustees may choose either independent examination or audit by registered auditor. If gross income (or total expenditure) in year >£250,000 or income / expenditure thresholds exceeded in either of two previous FYs, audit by registered auditor required.	Must be prepared but may be simplified.	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end.

Table A: Charities with financial years beginning on or after 1 March 1996 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £100,000 but gross income (or total expenditure) not > £250,000	Receipts and payments OR accruals based on SORP and Regulations*	Must have outside scrutiny but trustees may choose either independent examination or audit by registered auditor. If gross income (or total expenditure) in year >£250,000 or income / expenditure thresholds exceeded in either of two previous FYs, audit by registered auditor required.	Must be prepared but may be simplified.	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end
	Gross income (or total expenditure) >£250,000	Accruals based on SORP and Regulations*	Audit required	Full Annual Report must be prepared	Annual Return Accounts and Annual Report to be sent within 10 months of FY end.

\*The relevant Regulations are for financial years beginning:

On or after 1 March 1996, the Charities (Accounts and Reports) Regulations 1995 No 2724

On or after 1 January 2001, the Charities (Accounts and Reports) Regulations 2000 No 2868

SORP 1995 or 2000, as applicable, applies to non-company charities preparing accruals accounts

Table A: Charities with financial years beginning on or after 1 March 1996 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Charitable companies			<p>SORP 1995 or 2000, as applicable, applies to charitable companies</p> <p>Must prepare directors' report and accounts under the Companies Acts and lodge these with Companies House</p> <p>Requirements for Trustees' Annual Report as for non companies with the Annual Report requirements set out in the applicable Regulations.</p> <p>If gross income or total expenditure is &gt;£10,000 then trustees must send us a Trustees Annual report (or suitably modified directors' report)</p> <p>Our Annual return requirements are as for non company charities.</p>		
Charitable companies	Gross income exceeds £250,000 or gross assets exceed £1,400,000	Accruals based on SORP	Audit required	Full Annual Report must be prepared or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end.
	Gross income exceeds £90,000 and gross assets are £1,400,000 or less and an audit is not required by Governing Document	Accruals based on SORP	Audit exemption** (accountant's report)	Must be prepared but may be simplified or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end.

Table A: Charities with financial years beginning on or after 1 March 1996 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income £90,000 or less and audit not required by Governing Document	Accruals based on SORP	None required (unless required by Governing Document)	Must be prepared but may be simplified or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end where gross income (or total expenditure) exceeds £10,000
<p>Additionally for companies with a financial year ending after 30 March 2004, audit required if:</p> <ul style="list-style-type: none"> <li>• Gross income exceeds £250,000; or</li> <li>• Gross income exceeds £90,000 AND gross assets exceed £1,400,000; or</li> <li>• Gross assets exceed £2,800,000.</li> </ul> <p>For other companies below the audit thresholds with a financial year ending after 30 March 2004 and income exceeding £90,000 an audit exemption (accountant's report)** suffices where an audit is not required.</p> <p>Our Annual return requirements are as for non companies with an Annual Information Return where gross income or total expenditure is £10,000 or less.</p> <p>**Audit exemption provided meets the criteria for a small company under company law</p>					
<p>Excepted charities</p> <ul style="list-style-type: none"> <li>• If registered voluntarily, accounting and reporting requirement are as for any registered charity</li> <li>• If not registered they must produce annual accounts in the same way as an equivalent type of registered charity (company or non company)</li> <li>• Copies of accounts must be provided to the public on request, but not sent to us unless we ask</li> </ul>					
<p>Exempt charities</p> <ul style="list-style-type: none"> <li>• Must keep proper accounting records and prepare accounts</li> <li>• Where having to prepare accounts giving a true and fair view, they should follow SORP 1995 or 2000 as applicable, unless a specialised SORP applies</li> <li>• Must provide copies of accounts to public on request</li> </ul>					

Table B: Charities with financial years beginning after 1 April 2005

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Non company charities	Gross income (or total expenditure) is £10,000 or less	Accounts must be prepared but not filed Receipts and payments OR accruals based on SORP and Regulations*	No requirement if below £10,000 (unless required by Governing Document)	Only if registered must a report be prepared but it may be simplified	Annual Information Return only.
	Gross income (or total expenditure) > £10,000 but gross income not > £100,000	Receipts and payments OR accruals based on SORP and 2005 Regulations	Must have outside scrutiny but trustees may choose either independent examination or audit by registered auditor. If expenditure in year >£250,000 or income / expenditure thresholds exceeded in either of two previous financial years, audit by registered auditor required	Must be prepared but may be simplified.	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end

Table B: Charities with financial years beginning after 1 April 2005 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income over £100,000 but neither gross income nor total expenditure over £250,000	Accruals based on SORP and 2005 Regulations	Must have outside scrutiny but trustees may choose either independent examination or audit by registered auditor. If total expenditure in year >£250,000 or gross income /expenditure thresholds exceeded in either of two previous financial years, audit by registered auditor required	Must be prepared but may be simplified	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end
	Gross income or total expenditure over £250,000	Accruals based on SORP and 2005 Regulations	Must be audited by a professional auditor	Full Annual Report must be prepared.	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return

The Regulations referred to are the Charities (Accounts and Reports) Regulations 2005 No 572 Summary Information Return introduced for the 2005 Annual Return and subsequent Annual Returns.

Table B: Charities with financial years beginning after 1 April 2005 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Charitable companies	<ul style="list-style-type: none"> <li>• SORP 2005 also applies to charitable companies</li> <li>• Must prepare directors' report and accounts under the Companies Acts and lodge these with Companies House</li> <li>• Requirements for Trustees' Annual Report as for non companies with Annual Report requirements set out in 2005 Regulations.</li> <li>• If income or expenditure is &gt;£10,000 then trustees must send us a Trustees Annual report (or suitably modified directors' report)</li> <li>• Our Annual return requirements are as for non companies with an Annual Information Return where gross income or total expenditure is £10,000 or less.</li> </ul>				
	Income exceeds £90,000 and gross assets exceed £1,400,000 or gross income exceeds £250,000 or gross assets exceed £2,800,000	Accruals based on SORP	Must be audited by professional auditor	Full Annual Report must be prepared or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return
	Gross assets below £1,400,000 and gross income in range £90,001 to £250,000	Accruals based on SORP	Accountant's report (audit exemption) report may be prepared instead of full audit report	Must be prepared but may be simplified or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end

Table B: Charities with financial years beginning after 1 April 2005 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross assets less than £2,800,000 and gross income is £90,000 or less	Accruals based on SORP	None required (unless required by Governing Document)	Must be prepared but may be simplified or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end where gross income (or total expenditure) exceeds £10,000
Excepted charities	<ul style="list-style-type: none"> <li>• If registered voluntarily, accounting and reporting requirement are as for any registered charity</li> <li>• If not registered they must produce annual accounts in the same way as an equivalent type of registered charity (company or non company)</li> <li>• Copies of accounts must be provided to the public on request, but not sent to us unless we ask</li> </ul>				
Exempt charities	<ul style="list-style-type: none"> <li>• Must keep proper accounting records and prepare accounts</li> <li>• Where having to prepare accounts giving a true and fair view, they should follow SORP 2005, unless a specialised SORP applies</li> <li>• Must provide copies of accounts to public on request</li> </ul>				

Table C: Charities with financial years beginning on or after 27 February 2007

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Non-company charities	Gross income is £10,000 or less	Receipts and payments OR accruals based on SORP and 2005 Regulations	No requirement (unless required by Governing Document)	Only if registered must a report be prepared but it may be simplified	Annual Information Return only
	Gross income exceeds £10,000 but does not exceed £100,000	Receipts and payments OR accruals based on SORP and 2005 Regulations	Trustees may choose either independent examination or audit by registered auditor, unless one or other is stipulated in charity's governing document	Must be prepared but may be simplified	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end
	Gross income exceeds £100,000 but does not exceed £500,000, AND gross assets do not exceed £2,800,000	Accruals basis in accordance with SORP and 2005 Regulations	Trustees may choose either independent examination or audit by registered auditor, unless one or other is stipulated in charity's governing document. If gross income exceeds £250,000 and independent examination is chosen, examiner must belong to a body specified in the 2006 Act	Must be prepared but may be simplified	Annual Return Annual Report and Accounts must be sent to us within 10 months of financial year end

Table C: Charities with financial years beginning on or after 27 February 2007 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £500,000, or gross assets exceed £2,800,000 and gross income exceeds £100,000	Accruals basis in accordance with SORP and 2005 Regulations	A statutory audit is required and audit must be carried out by a registered auditor	Full Annual Report must be subscribed.	Annual Return. Annual Report and Accounts must be sent to us within 10 months Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return
The Regulations referred to are the Charities (Accounts and Reports) Regulations 2005 No 572					
Charitable companies	<ul style="list-style-type: none"> <li>• SORP also applies to charitable companies</li> <li>• Must prepare a directors' report and accounts under the Companies Acts, and file them with Companies House</li> <li>• Requirements for Trustees' Annual Report as for non companies with Annual Report requirements set out in 2005 Regulations.</li> <li>• If income is &gt;£10,000 then trustees must send us a Trustees Annual report (or suitably modified directors' report)</li> <li>• Our Annual return requirements are as for non companies with an Annual Information Return where gross income or total expenditure is £10,000 or less.</li> </ul>				
	Gross income exceeds £500,000 or gross assets exceed £2,800,000	Accruals based on SORP	Accounts must be audited by a registered auditor.	Full Annual Report must be prepared or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return

Table C: Charities with financial years beginning on or after 27 February 2007 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £90,000 but does not exceed £500,000 and gross assets do not exceed £2,800,000	Accruals based on SORP	An accountant's report (or audit exemption report) may be prepared.	Must be prepared but may be simplified or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end
	Gross assets do not exceed £2,800,000 and gross income does not exceed £90,000	Accruals based on SORP	No external scrutiny required.	Must be prepared but may be simplified or suitably modified directors' report	Annual Return Accounts and Annual Report to be sent within 10 months of financial year end where gross income (or total expenditure) exceeds £10,000
Excepted charities	<ul style="list-style-type: none"> <li>• If registered voluntarily, accounting and reporting requirement are as for any registered charity</li> <li>• If not registered they must produce annual accounts in the same way as an equivalent type of registered charity (company or non company)</li> <li>• Copies of accounts must be provided to the public on request, but not sent to us unless we ask</li> <li>• Although not required by law to produce an Annual Report it is good practice to do so, and we may require one to be produced in exceptional circumstances</li> </ul>				
Exempt charities	<ul style="list-style-type: none"> <li>• Must keep proper accounting records and prepare accounts</li> <li>• Where having to prepare accounts giving a true and fair view, they should follow SORP 2005, unless a specialised SORP applies</li> <li>• Must provide copies of accounts to public on request</li> </ul>				

**Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) *which ended on or before 31 March 2009***

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Non-company charities	Gross income is £10,000 or less	Receipts and payments or accruals accounts in accordance with SORP and 2008 Regulations	No requirement (unless required by Governing Document)	Only if registered must a report be prepared but it may be simplified	Annual Information Return only
	Gross income exceeds £10,000 but does not exceed £100,000	Receipts and payments or accruals accounts in accordance with SORP and 2008 Regulations	Accounts must have outside scrutiny but trustees may choose independent examination or audit by a registered auditor, unless the governing document stipulates one or the other	Must be prepared but may be simplified	Annual Return (usually online but paper form may be requested). Annual Report and Accounts must be sent to us within 10 months of financial year end

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) *which ended on or before 31 March 2009 cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £100,000 but does not exceed £500,000	Accruals basis in accordance with SORP and 2008 Regulations.	Accounts must have outside scrutiny but trustees may choose independent examination or audit by a registered auditor, unless the governing document stipulates one or the other. If independent examination is chosen and gross income exceeds £250,000 then independent examiner must belong to a body specified in the 1993 Act	A full Annual Report must be prepared	Annual Return (usually online but paper form may be requested). Annual Report and Accounts must be sent to us within 10 months of financial year end
	Gross income exceeds £500,000 or gross income exceeds £100,000 and gross assets exceed £2,800,000	Accruals basis in accordance with SORP and 2008 Regulations	Statutory audit carried out by a registered auditor	A full Annual Report must be prepared	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end. Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Where the charity has either charitable or non-charitable subsidiaries and the income of the group exceeds £500,000	Accruals basis in accordance with SORP and 2008 Regulations	Statutory audit carried out by a registered auditor	Accruals based on SORP	The parent charity completes the Annual Return and Summary Information Return on a group basis Annual Report and Accounts must be sent to us within 10 months of financial year end Charities groups with a gross income exceeding £1,000,000 must also complete a Summary Information Return
The Regulations referred to are the Charities (Accounts and Reports) Regulations 2008 No 629					
Charitable Companies	<ul style="list-style-type: none"> <li>• Must prepare directors' report and accounts under the Companies Acts and file these at Companies House</li> <li>• Must comply with Annual Report requirements set out in 2008 Regulations. In practice, the directors' report is expanded to include information required in the Annual Report</li> <li>• Our Annual return requirements are as for non companies with an Annual Information Return where gross income or total expenditure is £10,000 or less.</li> </ul>				
	Gross income is £10,000 or less	Accruals accounts in accordance with SORP	No requirement unless governing documents stipulates it	Must be prepared but may be simplified or suitably modified directors' report.	Annual Information Return.

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £10,000 but does not exceed £500,000 and where gross income exceeds £100,000, the charity's gross assets do not exceed £2,800,000	Accruals accounts in accordance with SORP	May have independent examination or audit, unless Articles of Association stipulate an audit	Annual Report (which may be simplified if gross income does not exceed £500,000) or suitably modified directors' report	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end
	Gross income exceeds £500,000 or gross assets exceed £2,800,000 and gross income exceeds £100,000	Accruals accounts in accordance with SORP	Statutory audit carried out by a registered auditor	Full Annual Report (which may be a suitably modified directors' report)	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return
	Where the charity has either charitable or non-charitable subsidiaries and the income of the group exceeds £500,000	Accruals basis in accordance with SORP and 2008 Regulations regarding group accounts.	Statutory audit carried out by a registered auditor.	A full Annual Report must be prepared, together with the additional disclosures about the activities of subsidiaries required by the SORP.	The parent charity completes the Annual Return and Summary Information Return on a group basis Annual Report and Accounts must be sent to us within 10 months of financial year end

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Where either the company is not small or the group is not a small group, as defined by the Companies Act 2006	Accruals basis in accordance with SORP	Statutory audit under the Companies Act carried out by a registered auditor	A full Annual Report must be prepared, (which may be a suitably modified directors' report) together with additional Business Review disclosures required by Company Law	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end. (The parent charity completes the Annual Return and Summary Information Return on a group basis) Charity groups with a gross income exceeding £1,000,000 must also complete a Summary Information Return

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Excepted charities					<ul style="list-style-type: none"> <li>• If registered voluntarily, accounting and reporting requirement are as for any registered charity</li> <li>• If not registered they must produce annual accounts in the same way as an equivalent type of registered charity (company or non company)</li> <li>• Copies of accounts must be provided to the public on request, but not sent to us unless we ask</li> <li>• Although not required by law to produce an Annual Report it is good practice to do so, and we may require one to be produced in exceptional circumstances</li> </ul>
Exempt charities					<ul style="list-style-type: none"> <li>• Must keep proper accounting records and prepare accounts</li> <li>• Where having to prepare accounts giving a true and fair view, they should follow SORP 2005, unless a specialised SORP applies</li> <li>• Must provide copies of accounts to the public on request</li> <li>• Audit requirements depend on how charity is constituted and the regulatory regime under which it operates</li> </ul>

Table E: Charities with financial years ending on or after 1 April 2009

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Non-company charities	Gross income is £25,000 or less (£10,000 or less for the requirement for information to be sent to the Commission)	Receipts and payments or accruals accounts in accordance with SORP and 2008 Regulations	No requirement (unless required by Governing Document)	Only if registered must a report be prepared but it may be simplified	Annual Information Return only. (This is still a requirement if income is £10,000 or less)
	Gross income exceeds £25,000 but does not exceed £250,000	Receipts and payments or accruals accounts in accordance with SORP and 2008 Regulations	Accounts must have outside scrutiny but trustees may choose independent examination or audit by a registered auditor, unless the governing document stipulates one or the other	Must be prepared but may be simplified	Annual Return (usually online but paper form may be requested). Annual Report and Accounts must be sent to us within 10 months of financial year end

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £250,000 but does not exceed £500,000 and where gross income exceeds £250,000, the charity's gross assets do not exceed £3,260,000	Accruals basis in accordance with SORP and 2008 Regulations.	Accounts must have outside scrutiny but trustees may choose independent examination or audit by a registered auditor, unless the governing document stipulates one or the other. If independent examination is chosen and gross income exceeds £250,000 then independent examiner must belong to a body specified in the 1993 Act	Must be prepared but may be simplified	Annual Return (usually online but paper form may be requested). Annual Report and Accounts must be sent to us within 10 months of financial year end
	Gross income exceeds £500,000 or gross income exceeds £250,000 and gross assets exceed £3,260,000	Accruals basis in accordance with SORP and 2008 Regulations	Statutory audit carried out by a registered auditor	A full Annual Report must be prepared	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end. Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Where the charity has either charitable or non-charitable subsidiaries and the income of the group exceeds £500,000	Accruals basis in accordance with SORP and 2008 Regulations	Statutory audit carried out by a registered auditor	A full Annual Report must be prepared based on SORP	The parent charity completes the Annual Return and Summary Information Return on a group basis Annual Report and Accounts must be sent to us within 10 months of financial year end Charities groups with a gross income exceeding £1,000,000 must also complete a Summary Information Return
The Regulations referred to are the Charities (Accounts and Reports) Regulations 2008 No 629					
Charitable Companies	<ul style="list-style-type: none"> <li>• Must prepare directors' report and accounts under the Companies Acts and file these at Companies House</li> <li>• Must comply with Annual Report requirements set out in 2008 Regulations. In practice, the directors' report is expanded to included information required in the Annual Report</li> <li>• Our Annual return requirements are as for non companies with an Annual Information Return where gross income or total expenditure is £10,000 or less.</li> </ul>				
	Gross income is £25,000 or less	Accruals accounts in accordance with SORP	No requirement unless governing documents stipulates it	Must be prepared but may be simplified or suitably modified directors' report.	Annual Information Return (This is still a requirement if income is £10,000 or less).

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Gross income exceeds £25,000 but does not exceed £500,000 and where gross income exceeds £250,000, the charity's gross assets do not exceed £3,260,000	Accruals accounts in accordance with SORP	May have independent examination or audit, unless Articles of Association stipulate an audit	Annual Report (which may be simplified if gross income does not exceed £500,000) or suitably modified directors' report	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end
	Gross income exceeds £500,000 or gross assets exceed £3,260,000 and gross income exceeds £250,000	Accruals accounts in accordance with SORP	Statutory audit carried out by a registered auditor	Full Annual Report (which may be a suitably modified directors' report)	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
	Where the charity has either charitable or non-charitable subsidiaries and the income of the group exceeds £500,000	Accruals basis in accordance with SORP and 2008 Regulations regarding group accounts.	Statutory audit carried out by a registered auditor.	A full Annual Report must be prepared, together with the additional disclosures about the activities of subsidiaries required by the SORP.	The parent charity completes the Annual Return and Summary Information Return on a group basis Annual Report and Accounts must be sent to us within 10 months of financial year end
	Where either the company is not small or the group is not a small group, as defined by the Companies Act 2006	Accruals basis in accordance with SORP	Statutory audit under the Companies Act carried out by a registered auditor	A full Annual Report must be prepared, (which may be a suitably modified directors' report) together with additional Business Review disclosures required by Company Law	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end. (The parent charity completes the Annual Return and Summary Information Return on a group basis) Charity groups with a gross income exceeding £1,000,000 must also complete a Summary Information Return

Table D: Charities with financial years beginning on or after 1 April 2008 (common external scrutiny thresholds) which ended on or before 31 March 2009 *cont.*

Type	Income level	Accounts	External Scrutiny*	Trustees' annual report	Information to be sent to Commission
Excepted charities					<ul style="list-style-type: none"> <li>• If registered voluntarily, accounting and reporting requirement are as for any registered charity</li> <li>• If not registered they must produce annual accounts in the same way as an equivalent type of registered charity (company or non company)</li> <li>• Copies of accounts must be provided to the public on request, but not sent to us unless we ask</li> <li>• Although not required by law to produce an Annual Report it is good practice to do so, and we may require one to be produced in exceptional circumstances</li> </ul>
Exempt charities					<ul style="list-style-type: none"> <li>• Must keep proper accounting records and prepare accounts</li> <li>• Where having to prepare accounts giving a true and fair view, they should follow SORP 2005, unless a specialised SORP applies</li> <li>• Must provide copies of accounts to the public on request</li> <li>• Audit requirements depend on how charity is constituted and the regulatory regime under which it operates</li> </ul>

## External scrutiny all periods (Charity Commission powers)

\*Where outside scrutiny is not required or where trustees may choose an independent examination instead, we have the power to require an audit in exceptional circumstances.

## Threshold income and asset calculations

The Charity Commission exercises its administrative powers under section 169 of the Charities Act 2011 to provide an administrative definition of gross income, total expenditure and gross assets when issuing each Annual Return. Refer to the relevant Annual Return for the relevant year where definitions are required.

With respect to groups, the definition of income is specified in Regulation 9 of the Charities (Accounts and Reports) Regulations 2008 and gross income is calculated in accordance the methods and principles of the SORP net of intra group transactions.

## Independent examination of charity accounts for financial years beginning on or after 27 February 2007

Prior to 27 February 2007 an examiner had to have the requisite skills and experience. Since then where a charity is eligible for an independent examination and its gross income exceeds £250,000 the examiner must also be a member of a listed body (refer to section 145 of the Charities Act 2011. For details of the independent examination of charities refer to [Independent Examination of Charity Account\(CC31\)](#).