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compliance services tailored to suit your business

## **COMPLIANCE ISSUES FOR CHARITIES AND SOCIAL ENTERPRISES**

### **DO NOT FALL FOUL OF THE LAW**

With a potential shift in focus of the Charity Commission away from the provision of advisory services to a regulatory role only, all charitable companies and social enterprises are likely to expect less help with compliance.

A charitable company must abide by company law in the same way as other commercial companies. A common area where charitable companies often fail is with filing of company documents at Companies House.

It is hoped by Companies House that it will move to a system of mandated electronic filing for core documents by March 2013.

At the moment, a company may only submit 17 different filings electronically but there are around 100 standard forms that a company could be required to file in certain circumstances, as well as non-standard form documents such as accounts and resolutions.

Figures published by Companies House indicate that there has been a dramatic increase in documents being filed electronically by companies. This raises the possibility that a charity and social enterprises could avoid the cost of professional secretarial services by registering themselves for web-filing. However, the risk that must be considered is that without specialist advice it is unlikely that an officer of the organisation would be aware of whether a document did indeed need to be dealt with and filed. There is therefore a potential danger and risk for those organisations opting not to have a company secretary under the provisions of the Companies Act 2006.

#### **What this means for you?**

Failure to file a document or form that should have been submitted usually means that all of the directors/trustees are prima facie guilty of an offence and potentially liable for a fine.

With the Companies Act 2006, which is now in full force and effect, there are now a raft of pro forma forms which need to be filed notifying Companies House of various amendments that may have taken place. For example, for any company which has amended either the Memorandum and/or Articles of Association to fall in line with the Companies Act 2006, there is now a need to file a form CC04 together with the relevant resolution and new version of the Articles at Companies House.

We strongly recommend in light of the above that outsourced professional assistance is sought to ensure that you and your company do not fall foul of the law. Email [info@tayloredbusiness.co.uk](mailto:info@tayloredbusiness.co.uk) for further information.