

Secretarial focus: a quick guide to disclosure for charitable companies

Charitable companies are required by a combination of company law and charity law to disclose certain information about their organisation.



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Alice Faure Walker and Rachel Norman outline the requirements

Charitable companies are affected by both company law and charity law. These impose various obligations to disclose the company's name in certain places, and to disclose information about the company on certain documents. Failure to comply can give rise to potential criminal liability for the trustees and may also have civil law consequences.

Where must a charitable company disclose its name?

A charitable company's registered name (meaning the name it is registered under at Companies House) must be displayed somewhere on its website/s where it can be easily read, although not necessarily on every page. In addition, its name must be disclosed in business letters, notices, other official publications, bills of exchange, promissory notes, endorsements, order forms, cheques and orders for money/goods/services signed by or on behalf of the company, bills of parcels, invoices and other demands for payment, receipts, letters of credit, licence applications and all other forms of business correspondence and documentation. (Note that it is the content of the document that is important, not its format, so a 'business letter' could include, for example, an email or a compliments slip.)

If a charitable company's name does not include the word 'charity' or 'charitable', it must also disclose the fact that it is a charity in all of the documents listed above, as well as on all conveyances purported to be executed by it. It is usual practice for charities which are registered with the Charity Commission to comply with this requirement by stating their registered charity numbers. (Note that there is an overlap between this requirement and the requirement to disclose registered charity status mentioned below.)

The charitable company's name must also be displayed continuously and somewhere easily visible at its registered office and any other location where it keeps records for inspection or carries on business. Again, if the name does not include the word 'charity' or 'charitable', it must also disclose the fact that it is a charity in all of these locations.

Other information on company documents

All charitable companies must disclose certain information on their websites, in their business letters and on order forms. A charitable company must disclose the part of the UK in which it is registered, its registered company number and its registered office address, as well as the fact that it is a limited company. If a company's business letter includes the name of one director (other than in the text or as a signatory) the letter must also disclose the names of all the other directors. Additional disclosures exist for investment companies or companies disclosing their share capital, but these will rarely apply to charities.

Are there any special circumstances where the rules are different?

The rules may be different if the charity is insolvent, is an overseas company, has been dormant since incorporation, is in liquidation/administration/receivership or is located in premises shared by six or more companies.

Additional disclosure of registered charity status

The law also requires that if a charity is registered with the Charity Commission and its gross annual income exceeds £10,000, it must state that it is a registered charity on all bills, invoices, receipts, letters of credit, bills of exchange, promissory notes, endorsements, cheques, orders for money or goods purporting to be signed for or on behalf of the charity, notices, advertisements and other documents soliciting money or other property for the benefit of the charity. This is slightly different to the requirement mentioned above as it relates to a charity's registration with the commission, as well as the fact that it is a charity.

There is no legal requirement for a charity in England and Wales to state its registered charity number in any location or on any document, although it is good practice to do so.

Other charities

Unfortunately the rules vary slightly depending on a charity's legal form and where it operates. For instance, there are similar, but not identical,

requirements for charitable incorporated organisations (CIOs), while unincorporated charities have far fewer obligations regarding disclosure. Charities registered on the Scottish Charity Register must take note of particular Scottish rules which require, for example, disclosure of their Scottish charity number on various documents.

The table below summarises the requirements for disclosure of information on company documents.

Information to be disclosed							
Document	Registered name (name with which company is registered at Companies House)	Charitable status (if the charity's name does not include 'charity' or 'charitable')	That it is a limited company	Registered company number	Part of the UK in which registered	Registered office address	Names of directors
Business letters	Yes	Yes	Yes	Yes	Yes	Yes	If a letter includes the names of any directors, other than in the text or as a signatory, then all the directors must be named. Otherwise, no directors need to be named.
Order forms and website/s	Yes	Yes	Yes	Yes	Yes	Yes	
Invoices and other demands for payment, receipts, letters of credit, bills of exchange, promissory notes, endorsements, cheques, orders for money, goods or services	Yes	Yes					
Notices, other official publications, bills of parcels, licence applications	Yes	Yes					
All other forms of business correspondence and documentation	Yes	Yes					

See the opposite page for additional requirements for charities registered with the Charity Commission which have income over £10,000 to disclose their registered status on various documents.