



Annual Return Guidance

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1. Introduction

What this guidance covers

Every year, every charity registered in Scotland must send us:

1. Annual accounts
2. Trustees' Annual Report
3. External scrutiny report, and
4. Online annual return.

Charities must submit this information to us within 9 months of their financial year end date.

Every charity in Scotland should use **OSCR Online** to submit this information.

More information on our online services can be found on our **FAQs** page. This guidance explains what information we need from charities as part of their online annual return.

Guidance that explains how to use OSCR Online can be found on **our website**.

Who is this guidance for?

This guidance is aimed to help those completing the Annual Return. It explains the questions and contains information on how to answer the questions accurately. It is the responsibility of all charity trustees to make sure that reporting requirements are met.

Section A - This section is to be completed by all charities

The initial questions in Section A will already be filled in using the information we hold about your charity. This includes the contact details for your charity's principal contact and the financial year end date of the charity. If you need to make changes to the contact details, you can do so where indicated on the form.

- **Charity Number**

Each Scottish charity has a six-digit reference number with the prefix SC followed by a zero and then five digits (SC0xxxxx). This number is shown on the Scottish Charity Register

- **Legal Name**

The legal name of your charity is shown on the Scottish Charity Register. You must seek OSCR's consent if you want to change your charity's name – guidance about this can be found on our website at <http://www.oscr.org.uk/charities/managing-yourcharity/making-changes-to-your-charity>. If your charity changes its name and we give our consent, the 'Legal Name' will be updated and a field will appear titled 'Former Legal Name' with the former name.

- **Principal Office or Trustee address**

This shows whether the address supplied is the charity's principal office address or a charity trustee's address. This information is shown on the Scottish Charity Register. The principal office address can be your organisation's address, the address of a third party acting on your behalf, or any other address which you choose. However, it must be an address at which you will be able to deal with all official notices and letters which you receive from OSCR. If you use a PO Box number, then you must also provide the full physical address including the postcode. If the address given is a charity trustee's address, the charity trustee's name will be shown on the Scottish Charity Register (for example 'Charity Trustee – Mrs A Smith').

- **Alternative contact email**

Please provide an alternative email address that we can use to get in touch with the charity if there are any problems with the principal contact's email address. This could be the email address of another trustee or a third party acting on your behalf.

Financial year end date This is the date of your charity's financial year end, sometimes known as the year end date or period end date. This information is shown on the Scottish Charity Register. This information will already be filled in.

Changing your financial year end date will change the date your annual return and accounts are due (the deadline is 9 months following your year end date). If you change this date, you must let us know within three months of that change.

- **Gross Income**

This is the total income from:

- total receipts if your charity prepares receipts and payments accounts
- OR
- the Statement of Financial Activities if your charity is preparing accrued accounts.

Receipt of any donated asset which legally has to be held within a permanent or expendable endowment fund should not be included.

- **Gross Expenditure**

This is the total expenditure from:

- total payments if your charity prepares receipts and payments accounts
- OR
- the Statement of Financial Activities if your charity is preparing accrued accounts.

- **Annual reports and accounts on a website and a link to published accounts**

If you publish the accounts on your charity's own website answer 'yes' to this question and insert the direct link when asked. OSCR will include this link to your accounts information on your charity's register entry.

It is a great way of you reaching a wider public, as you can also include other information you would like the public to see on the page that contains your accounts.

- **Charitable purpose and activity**

Your charity's purpose is stated on the charity's entry on the Scottish Charity Register.

In order to achieve the purposes stated on the Register, does your charity do any of the things in this list? Please tick all the options that apply, and if your charity does any things not listed, please describe these in the space provided under 'Other'.

- **Income from investments**

If your charity receives income from investments – for example stocks, shares or bonds, please choose yes. For the purposes of this question, we do not include bank interest as investment income.

- **Total Number of Charity Trustees and Paid Staff**

A charity trustee is a person having general control or management of the running of a charity. Enter the number of trustees and staff in these questions at the accounting period end date.

- **Safeguarding**

Please let us know if your charity has children or vulnerable adults as beneficiaries of your charitable activities.

Read our [Safeguarding Guidance](#) for information on what you might need to do depending on your charitable activities

- **Cross Border Charities**

For Cross Border charities, (those registered with both OSCR and the Charity Commission for England and Wales) the Information Return has been replaced by one specific additional Yes/No question on the online

annual return. This question is about undertaking activities in Scotland and will only appear if relevant.

Section B - This section is to be completed by charities with income of £25,000 and more

- **B.1 Governing document**

Your charity may know its governing document as a constitution, articles, rules or trust deed. Please tell us when the charity trustees last looked at and thought about the governing document.

- **B.2 Number of charity trustees**

A Scottish Charitable Incorporated Organisation (SCIO) must have at least three charity trustees as stated in the SCIO Regulations. For other legal forms, there is no legal number of charity trustees but it is good practice to have at least three.

Most charity governing documents (your charity may know this document as a constitution, articles, rules or trust deed) will set out a minimum number of charity trustees who must be present to be able to make decisions for the charity.

- **B.3 Does your charity have the following procedures in place?**

In the box below this question we list basic financial control procedures for charities. They may not be applicable to every charity, however for many these procedures will be an important part of managing the charity's finances and fulfilling charity trustee duties.

- **B.4 Payment or benefit to charity trustees**

Charity trustees are people involved in the management and control of a charity, you may call yourselves a committee, a board, Directors or something less formal – the charity trustees for the last financial year should be listed in your charity's Trustees' Annual Report.

A person or organisation is connected to a charity trustee if they fall into one of the following categories:

- spouses, civil partners and cohabitees of a charity trustee
- child, stepchild, parent, grandchild, grandparent, brother or sister of a charity trustee (and a spouse of any such person)
- an institution controlled by a charity trustee or a person connected with them or two or more trustees/connected persons when taken together
- a corporate body or company in which the charity trustee or a person connected with them has a substantial interest, or
- a Scottish partnership (business) in which the charity trustee or, a person connected with them, is a partner.

Please tell us about any payment or benefit received by a charity trustee or person connected with a charity trustee.

Out of pocket expenses paid to charity trustees, for instance travel expenses to attend meetings, should not be included in this section.

- **B.5 Charity structure**

A charity is part of a group if it is:

- a parent (which owns a subsidiary company)
- a subsidiary company or
- a connected trading company.

Where there is a close relationship with an umbrella charity or a number of funds (such as in a Church) **this does not mean a charity is part of a group.**

Consolidated accounts are accounts which consolidate the results of the group.

If you are a parent charity and prepare consolidated accounts these should be submitted and used to prepare your online annual return. If you are a subsidiary or connected company you should submit your own individual accounts.

- **B.6 Significant sources of funding**

Where your charity has received 20% or more of its income from a person or organisation connected to a charity trustee in the last financial year, please provide the details requested on the form.

You can find the definition of a person or organisation that is connected to a charity trustee in B.4.

Section C - This section is to be completed by charities with income of £250,000 and more

Income breakdown

• C.1 Donations and legacies

This is the 'voluntary income' of the charity. Where a charity receives a gift for which there is no expectation of a benefit it should be included here.

This category includes:

- donations and gifts made by individuals or companies
- legacies – money or property left to a charity in a will
- general grants
- membership subscriptions and sponsorships where there is no benefit
- donated goods, services and facilities and,
- gift aid.

• C.2 Charitable Activities

This is income which is received through carrying out a charitable activity.

This will mainly be trading which is within the charity's purpose(s), such as:

- sales from a workshop whose purpose is to provide employment training,
- admission charges received by a heritage charity, or
- fees charged for admission to a play by a theatre group.

Income which is ancillary to a charity's activities, such as the selling of ice cream by the theatre group at their play, should also be included here.

• C.3 Other Trading Activities

This includes income from trading activities which are not within the charitable purpose(s) and income from fundraising events.

Any income from the sale of donated goods should also be included here.

- **C.4 Investments**

Income received from assets held by the charity for investment purposes.

This includes interest received, dividend income and rental income on investment properties.

- **C.5 Other**

Any items which cannot be classified under the income headings. Gains on sale of fixed assets will be shown here.

- **C.6 Total Income**

This is the total income of the charity for the period as shown in the accounts.

Expenditure breakdown

- **C.7 Raising Funds**

This is all the money spent by the charity to generate funds for its charitable purposes.

This includes costs of seeking donations, costs associated with a fundraising event, operation of charity shops, the operation of a trading company and advertising costs.

- **C.8 Charitable Activities**

This is the money that the charity spends on carrying out its charitable activities.

Charities may carry out their activities through direct service provision, grant provision or a combination of both.

All costs relating to this should be included here, including any support or

governance costs which relate to the charitable activities.

- **C.9 Other**

Any items which cannot be classified under the expenditure headings.

Generally there should be no requirement to use this.

- **C.10 Total expenditure**

This is the total expenditure of the charity for the period as shown in the accounts.

Other financial information

- **C.11 Net current assets**

At this income level you are required to prepare fully accrued accounts and this field will normally be cash and bank balances plus debtors plus other current assets minus liabilities payable within one year.

- **C.12 Total funds**

At this income level you are required to prepare fully accrued accounts and this field will be clear from the balance sheet. It will normally be net current assets plus fixed assets and long-term investments, less any long-term liabilities.

Notes

Notes

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