



## Beginners Guide: Do I Need An Audit?

Being sure that you either do or don't need an audit is important! An audit can be useful, but they are also expensive. Whether you need one or not is also a matter of law and regulation. Not all legal structures have the same rules, so read the parts of this guide that are relevant to you.

### Limited Companies and Limited Partnerships

Limited liability companies and limited liability partnerships (that are not also charities) need an audit:

- ⇒ If, during the accounting period, they were at any time part of a group requiring an audit.
- ⇒ If your turnover is more than £6.5 million and your assets are more than £3.26 million.
- ⇒ If your sales turnover is lower than the £6.5m threshold, if any member or members holding not less in aggregate than 10% in nominal value of the issued share capital, requests an audit for that year in writing no later than one month before the end of the year.
- ⇒ If the company or partnership was at any time during the financial year a public company, a banking or insurance company, an e-money issuer, an ISD investment firm, a UCITS management firm or carries on insurance market activity.



### Charities

Charities normally need either an audit or independent examination.

- ⇒ If your charity has a gross income under £25,000 then it does not need an independent review or examination.
- ⇒ Where the gross income is over £25,000 and under £500,000 and the gross assets are under £3.26m it needs an independent examination.
- ⇒ Where the gross income is over £500,000 it needs an audit.

### CAVEAT

This Beginners Guide is no substitute for proper specific professional advice and no liability can be accepted for any acts or omissions taken as a result of reading it.

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