

**2014 No. 2923**

**EDUCATION, ENGLAND**

**The School Companies (Amendment) Regulations 2014**

*Made* - - - - *5th November 2014*

*Laid before Parliament* *7th November 2014*

*Coming into force* - - *1st December 2014*

The Secretary of State for Education makes the following Regulations in exercise of the powers conferred by sections 12 and 210(7) of the Education Act 2002(a).

**Citation and commencement**

1. These Regulations may be cited as the School Companies (Amendment) Regulations 2014 and come into force on 1st December 2014.

**Amendment to the School Companies Regulations 2002**

2.—(1) The School Companies Regulations 2002(b) are amended as follows.

(2) For regulation 28, substitute—

**“28. Accounting and notification requirements of school companies**

(1) Where a school company is exempt, under section 477 of the Companies Act 2006(c), from the requirements of that Act relating to the audit of accounts for a given financial year, its accounts for that year must be examined by an independent examiner.

(2) In paragraph (1), an “independent examiner” means an independent person who the members of the school company reasonably believe has the necessary ability and experience to examine its accounts competently and who is—

(a) a Fellow of the Association of Charity Independent Examiners, or

(b) a member of one of the bodies listed in section 145(4) of the Charities Act 2011(d).

(3) A school company must provide a copy of its accounts for each financial year, whether those accounts are audited under the Companies Act 2006 or examined in accordance with paragraph (1), to its supervising authority within four months after the end of that financial year.

(4) Within 28 days after a local authority becomes a school company’s supervising authority, the company must provide it with a copy of its constitution.

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(a) 2002 c. 32, as amended by S.I. 2010/1158; see section 212 for the definitions of “prescribed” and “regulations”.

(b) S.I. 2002/2978, as amended by S.I. 2010/1172.

(c) 2006 c. 46, as amended by S.I. 2008/393, 2012/2301, 2013/3008; there are other amending instruments but none is relevant.

(d) 2011 c. 25.

(5) A school company must, within 28 days after any changes are made to its constitution, provide a copy of its amended constitution to its supervising authority and notify the authority of the date on which the changes took effect.”.

5th November 2014

*John Nash*  
Parliamentary Under Secretary of State  
Department for Education

### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the provisions of the School Companies Regulations 2002 (“the 2002 Regulations”) relating to the audit requirements on school companies, which are companies formed or joined by governing bodies of maintained schools using their powers under section 11 of the Education Act 2002 (but excluding companies formed with the purpose of facilitating or entering into agreements under the private finance initiative).

Regulation 2 amends the 2002 Regulations to provide that school companies may benefit from the exemption from audit for small companies under section 477 of the Companies Act 2006, but that school companies to which that exemption applies must have their annual accounts reviewed by an independent examiner. The examiner must be a member of one of the bodies listed in section 145 of the Charities Act 2011 as being qualified to examine the accounts of small charities for which auditing is optional under that Act.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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