

# How to Write an Annual Report

## Who is this information for?

This information sheet is relevant to charities considered 'small' by the Charity Commission. You're a small charity in the Charity Commission's eyes if you are below the 'statutory audit threshold'. In current law this means that your annual income is less than £500,000 and your total assets are less than £2.8m. Please ask us for a separate information sheet if your charity is above this threshold.

## What's an Annual Report and is it complicated to write one?

Your Annual Report is a written explanation of what activities and plans your charity had for the year and how your charity did against this plan. In other words, what you actually achieved. It should include or accompany your annual accounts and expand on the details – such as how you obtained funding. It doesn't need to be complicated though, you're allowed to keep it very simple and easy to understand.

## Why do you need an Annual Report?

The information in your Annual Report is designed to help people understand what you do and how you do it and to reassure them that you're managing your charity well. These people may be donors, funders, beneficiaries, suppliers or staff. The report adds to the transparency of the financial information provided in your annual accounts.

## Who should write your Annual Report?

Your Trustees are responsible for writing and sending your Annual Report to the Charity Commission. In practice, it's likely that staff and/or volunteers will contribute too, especially when it comes to writing about your day-to-day activities.

## What should your Annual Report include?

The Charity Commission will provide you with a ready-made Annual Report template, including a list of contents, to help you get started.

If you don't have one, you'll find a checklist in the Commission's guide to Accounting and Reporting by Charities: Statement of Recommended Practice:

<http://www.charity-commission.gov.uk/Library/guidance/sorp05textcolour.pdf>

You can also look at examples of Trustees Annual Reports and Accounts on the Commission's website:

[http://www.charitycommission.gov.uk/Charity\\_requirements\\_guidance/Accounting\\_and\\_reporting/Preparing\\_annual\\_reports/Example\\_Annual\\_Reports\\_index.aspx](http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_annual_reports/Example_Annual_Reports_index.aspx)

**Remember, Funds & Figures is here to help so feel free to give us a call on 01858 439264 or email [cbarrett@vasl.org.uk](mailto:cbarrett@vasl.org.uk) if you need support.**

In the meantime, here's a list of what needs to be included:

Contents of the Trustee's Annual Report for a smaller charity not subject to a statutory audit.

Reference and administrative information	The name of the charity Any other name by which a charity makes itself known The charity registration number The company registration number (if applicable) The address of the principal office of the charity The names of the charity's trustees or trustee(s) for the charity on the date the report was approved (where any charity trustee is a body corporate, the names of the directors of that body corporate should be provided).
Structure, Governance and Management	The nature of the governing document and how the charity is (or its trustees are) constituted. Methods adopted for the recruitment and appointment of new trustees.
Objectives and Activities	A summary of the objects of the charity as set out in its governing document. Summary of the main activities undertaken in relation to those objects.
Achievements and Performance	A summary of the main achievements of the charity during the year.
Financial Review	Policy on reserves. Details of any fund materially in deficit and the circumstances giving rise to the deficit and steps being taken to eliminate the deficit.
Funds held as custodian trustee	A description of the assets which they hold in this capacity. The name and objects of the charity (or charities) on whose behalf the assets are held and how this activity falls within their own objects. Details of the arrangements for safe custody and segregation of such assets from the charity's own assets.

Source: Accounting and Reporting by Charities: Statement of Recommended Practice Charities SORP 2005 2nd Edition - 16.12.2008