



How to Produce an Annual Report

What is an Annual Report?

An Annual Report is a review of the activities of an organisation in a one-year period (usually the financial year) plus a financial report for that period. Annual reports are produced for a variety of purposes but many organisations see them as a good opportunity to raise their profile and promote their services by ensuring a wide distribution to various organisations and individuals.

Note:

Charities and companies are required by law to produce an annual report and to include certain information in it (see below).

Why produce an Annual Report?

- ✘ To fulfil the legal requirements for companies and charities
- ✘ To inform members, users and funders/investors what the organisation has been doing during the year and what it has achieved
- ✘ To impress current and potential funders/investors
- ✘ To inform other organisations or agencies what the organisation does
- ✘ To inform the public about what the organisation does
- ✘ To promote the organisation and its services
- ✘ To attract more members, supporters and volunteers

What should the report contain?

The main body of the Annual Report should be a concise but comprehensive summary of the main activities and achievements of the organisation during the year and how it has worked to achieve its aims and objectives.

Firstly, the basic information about your organisation, i.e. name of organisation, the registered charity number (if you are a registered charity) the company number (if you are a company), the financial year to which the reports relates, contact details, i.e. the address phone and fax number, email address and website address (and in cases of a company, the address of the registered office).

The Charity Commission lists the following as required information to be included in the annual reports of charities:

- ✘ A description of the objectives of the organisation
- ✘ The names and addresses of any relevant organisations or people acting for the organisation – bankers, solicitors, auditor (or independent examiner or reporting accountant) and principal advisers
- ✘ The name of the Management Committee (or Board of Trustees in the case of a registered charity or Directors if a company limited by guarantee) and the names of anyone who has been on the Management Committee during the period covered by the report
- ✘ The names of any holding trustees
- ✘ A description of any policies adopted on reserves, selection of investments, and a selection of grant beneficiaries
- ✘ Details (including the date if known) of any deed or other document containing provisions that regulate the purposes and administration of the charity
- ✘ Details of any specific restrictions imposed by the governing document concerning the way in which the charity can operate
- ✘ The name of any person or body entitled to appoint new trustees and how appointments are made
- ✘ Details of any investment powers
- ✘ A statement regarding the relationships between the charity and related parties and with any other charities and organisations with which it co-operates

Registered charities with a gross income of over £250,000 per year have to include additional information; instead of a brief summary of achievements and activities, there should be a review of all activities, including:

- ✘ Material transactions, significant development and achievements of the charity during the year in relation to its objects
- ✘ Any significant changes in those activities during the year
- ✘ any important events affecting those activities which have occurred since the end of the year and any likely future developments in those activities
- ✘ Where any fund of the charity was in deficit at the beginning of the financial year, the steps taken by the trustees to eliminate that deficit
- ✘ A statement of the major risks to which the charity is exposed and any systems designed to mitigate those risks
- ✘ A statement regarding the performance during the financial year of any investments belonging to the charity
- ✘ A description of the organisational structure of the charity
- ✘ A description of any assets held by the charity and any special arrangements for the safe keeping of those assets

The Annual Report should be signed and dated by one or more of the trustees.

Optional extras:

Other things you might want to include:

- ✘ The chairperson's report summarising the organisation's activities during the year – flagging up achievements and successes and any major changes or challenges the organisation has faced.
- ✘ A list of members (individuals and/or organisations)
- ✘ Your mission statement
- ✘ The work of the organisation
- ✘ Staff reports
- ✘ Plans for the future
- ✘ Case studies (individuals should be asked, and confidentially maintained)
- ✘ Photographs (individuals should be asked)
- ✘ Copies of posters or leaflets produced during the year
- ✘ Reports on partnerships, inter-agency working and co-operation with other organisations
- ✘ A chart showing the structure of the organisation
- ✘ List of staff, their job titles and a brief description of their role
- ✘ List of volunteers (including any who have left during the period covered by the report)
- ✘ Acknowledgement of funders, donors, supporters, and any non-financial contributions and support given to the organisation
- ✘ Your web-site address

Who should you send copies to?

Registered charities (with an income of over £10,000) must send a copy of their annual report to the Charity Commission.

Companies must also send a copy to Companies House.

You might also want to send copies of your annual report to:

- ✘ Members
- ✘ Management committee
- ✘ Volunteers
- ✘ Funders/investors
- ✘ Patrons
- ✘ The local authority and other statutory authorities
- ✘ Other voluntary and community organisations
- ✘ Your MP/MEP
- ✘ Local councillors
- ✘ The local press
- ✘ Your local Council for Voluntary Service (CVS)
- ✘ Your local library
- ✘ Community centres

Voluntary & community sector organisations have to strike a delicate balance between an annual report that looks professional in order to enhance their image but doesn't leave them open to being accused of wasting money on glossy and expensive publications.

Further information:

Requirements and regulations regarding Annual Reports can be obtained from the Charity Commission: www.charity-commission.gov.uk or helpline 0845 300 0218

This Information Sheet is provided by Voscur. More Voscur Information Sheets are available at www.voscur.org/publications/infoSheets

Copyright Voscur 2007

Disclaimer: The information provided here is intended to give some pointers, and is not fully comprehensive. The C3 Partnership cannot accept any legal responsibility for how this information is used.