

# Charity governance and accounting.

## Trustees' report disclosures

This guide focuses on the reporting requirements introduced in the new statement of recommended practice for charities (SORP 2026). This applies for periods commencing on or after 1 January 2026 and introduces tiered requirements for charities.

- Tier 1 – charities with income less than £500,000
- Tier 2 – charities with income between £500,000 and £15,000,000
- Tier 3 – charities with income over £15,000,000.



**The audit threshold is currently £1,000,000 and expected to rise to £1,500,000 for charities in England and Wales, although the commencement date has not yet been published. The audit threshold for charities in Scotland is £1,000,000 for periods commencing on or after 1 January 2026 (increased from the current £500,000 limit). As a result some charities in tier 2 will be audited and some will require only an independent examination of their accounts.**

Charities must assess their tiering and regulation requirements for each reporting period. There is no two year rule or other exemptions to manage fluctuations in income.

Charities who expect their income to fluctuate around the thresholds may want to consider whether they should apply the requirements of the higher tier for consistency.

Charities in tier 1 must comply with the requirements in tier 1, and can prepare their accounts on either an activities basis or using natural classifications; charities in tier 2 must prepare accounts on an activity basis and comply with the requirements in tier 1 and tier 2; and charities in tier 3 must prepare accounts on an activity basis and comply with the requirements in tier 1, tier 2 and tier 3.

The SORP retains the distinctions of 'must', 'should' and 'may' within the tiers. Where a 'must' requirement is not followed non-adherence to that requirement is a departure from the SORP and charities are required to disclose the fact.

## Appendices

The following appendices cover the disclosure requirements by tier. The appendices are cumulative therefore the Tier 3 appendix covers all the requirements for tiers 1, 2 and 3. Please only select the one appendix suitable for your tier. Additional disclosures for charitable companies are set out separately in appendix 4.

Please choose the appendix relevant to your tier and the company checklist if required.

[Appendix 1 ▶](#)

[Appendix 2 ▶](#)

[Appendix 3 ▶](#)

[Appendix 4 ▶](#)

## Next steps

If you have any questions around the points raised in this guide, please [speak to our Charities & Non-profit experts](#).

# Appendix 1: Tier 1 Charity Trustees' report disclosures.

January 2026

This checklist is specifically designed for Tier 1 charities whose gross income does not exceed £500,000 (€500,000). It outlines the essential reporting requirements set out for the Trustees Report, as introduced in the new Statement of Recommended Practice for charities (SORP 2026). These requirements are applicable for accounting periods commencing on or after 1 January 2026.

The checklist is organised into three distinct categories to clarify the expectations for reporting:

- **Must be included:** These are mandatory disclosures that charities are required to present in their Trustees Report.
- **Should be included:** These items are strongly recommended for inclusion to enhance transparency and provide additional useful information.
- **May be included:** These are optional elements that charities can choose to include if relevant to their operations and beneficial to stakeholders.

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Objectives and activities – must:</b>			
1.19	Include a summary of the purposes of the Charity as set out in its governing document.		
1.19	Include a summary of the main activities undertaken in relation to those purposes.		
1.20	Explain the main activities undertaken to further the charity's purpose for the public benefit.		
1.20	Include a statement confirming whether the trustees have had regard to the Charity Commission's guidance on public benefit.		
1.21	Include an explanation to help the user to understand the scale and nature of the activities undertaken by different volunteer roles and input from volunteers.		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Objectives and activities – should include:</b>			
1.22	An explanation of the activities, projects or services identified in the accompanying accounts (i.e, SOFA and Notes to the accounts).		
<b>Achievements and performance – must include:</b>			
	A summary of the main achievements of the charity considering:		
1.27	<ul style="list-style-type: none"> <li>▪ how has the charity’s work made a difference to the circumstances of its beneficiaries; and</li> <li>▪ if the charity’s work provided any wider benefits to society as a whole.</li> </ul>		
<b>Financial review – must:</b>			
1.34	Include a review of the charity's financial position at the end of the reporting period. All financial details used in the report must be consistent with the figures in the accounts.		
1.35	Identify any materially deficit fund or subsidiary undertaking if applicable and provide an explanation regarding the circumstances resulting in the deficit and the steps being taken to eliminate the deficit.		
1.37	Explain any policy it has for holding reserves (that part of a charity's unrestricted funds that is freely available to spend on its charitable purposes), state the amount of those reserves and why they are held.		
1.38	Ensure that the figure for reserves is consistent with the accounts.		
1.39	Include a comparison between the amount of reserves at the end of the reporting period with the charity's reserves policy.		
1.39	Include, where applicable, an explanation of the steps the charity is taking to bring the amount of reserves it holds in line with the policy.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.40	Include a review of the reserves that identifies and explains any material amounts that have been designated or committed at the end of the reporting period.		
1.40	Include a review of the reserves that indicates the likely timing of the expenditure of any material amounts designated or committed at the end of the reporting period.		
1.41	Explain, where a charity has no reserves (or negative net assets on the balance sheet), why it is still operating as a going concern is necessary.		
1.42	Explain, if, at the date of the report and accounts approval there are material uncertainties about the charity's ability to continue as a going concern, the nature of these uncertainties.		

#### Plans for future periods - must include:

- |      |   |  |  |
|------|---|--|--|
| 1.47 | A summary of the charity's plans for the future being sure to consider its reserves and going concern assessment. |  |  |
|------|---|--|--|

#### Structure, governance and management - must:

- |      |  |  |  |
|------|--|--|--|
| 1.50 | State the nature of the governing documents (i.e., trust deed, memorandum and articles of association, Charity Commission scheme, Royal Charter, etc).   |  |  |
| 1.50 | Explain how the charity is constituted (i.e., limited company, unincorporated association, trustees incorporated as a body, charitable incorporated organisation, community benefit society, industrial and provident or friendly society, etc). |  |  |
| 1.50 | Explain the methods used to recruit and appoint new charity trustees, including details of any constitutional provisions for appointment (i.e., election to post).   |  |  |

#### Structure, governance and management - should include:

- |      |   |  |  |
|------|---|--|--|
| 1.50 | Where any other person or extended body is entitled to appoint one or more of the charity trustees, it should explain this and give the name of that person/body. |  |  |
|------|---|--|--|

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Structure, governance and management – may:</b>			
1.51	Withhold certain governance and management details where the criteria for exemption from disclosure are satisfied.		
<b>Reference and administration details – must include:</b>			
1.55	The name of the charity (i.e., the name by which it is registered).		
1.55	Any other name that the charity uses.		
1.55	The charity registration number for the jurisdiction in which it is registered as a charity (if applicable, its company registration number).		
1.55	The address of the principal office of the charity or an address where the charity can be contacted. (A charitable company must provide the address of its registered office).		
1.55	The name of all those who were the charity's trustees on the date the report was approved, or who served as a trustee in the reporting period.		
1.55	Where a charity has any corporate trustees, the names of the directors of the body corporate on that date the report was approved.		
1.55	The name(s) of any trustee for the charity who is holding the title to property belonging to the charity on the date the report was approved.		
1.55	The name(s) of any trustee for the charity who served in the reporting period holding the title to property belonging to the charity.		
<b>Reference and administration details – may:</b>			
1.56	Withhold certain reference and administration details where the criteria for exemption from disclosure are satisfied.		

Ref.	Requirement	Included Yes/No/N/A	Comment
------	-------------	------------------------	---------

**Sustainability – may:**

1.60 Explain in the report how the charity is responding to and managing environmental, governance and social matters, considering the needs of stakeholders when reporting in this area.

**Other**

**Funds held as an agent or holding trustee – must be disclosed in the trustees’ report or as a note to the accounts:**

A description of the assets, classes of assets or categories of assets which they hold in this capacity.

19.14 The name and objects of the charity (or charities) on whose behalf the assets are held and how this activity falls within the holding charity’s objects.

Details of the arrangements for safe custody and segregation of such assets from the charity’s own assets



# Appendix 2: Tier 2 Charity Trustees' report disclosures.

January 2026

This checklist is specifically designed for Tier 2 charities whose gross income exceeds £500,000 (£500,000) but is not more than £15 million (£15 million). It outlines the essential reporting requirements set out for the Trustees Report, as introduced in the new Statement of Recommended Practice for charities (SORP 2026). These requirements are applicable for accounting periods commencing on or after 1 January 2026.

The checklist is organised into three distinct categories to clarify the expectations for reporting:

- **Must be included:** These are mandatory disclosures that charities are required to present in their Trustees Report.
- **Should be included:** These items are strongly recommended for inclusion to enhance transparency and provide additional useful information.
- **May be included:** These are optional elements that charities can choose to include if relevant to their operations and beneficial to stakeholders.

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Objectives and activities – must:</b>			
1.19	Include a summary of the purposes of the Charity as set out in its governing document.		
1.19	Include a summary of the main activities undertaken in relation to those purposes.		
1.20	Explain the main activities undertaken to further the charity's purpose for the public benefit.		
1.20	Include a statement confirming whether the trustees have had regard to the Charity Commission's guidance on public benefit.		
1.21	Include an explanation to help the user to understand the scale and nature of the activities undertaken by different volunteer roles and input from volunteers.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.23	Give a detailed understanding of their short term and longer term aims and objectives and how those in the short term relate to those in the longer term (For specific activities, it is helpful for the user to be provided details regarding scale and resources such as amount spent on or number of staff engaged in this activity.)		
1.24	State the aims and objectives that the trustees have set for the charity in the reporting period and how the charity has performed against these.		
1.24	Set out the significant activities that the charity undertakes and how these contribute to the achievement of the charity's stated aims and objectives.		
1.24	Explain the changes or difference the charity seeks to make through its activities.		
1.24	Explain the charity's strategies for achieving its stated aims and objectives.		
1.24	Explain the criteria or measure the charity uses to assess success in the reporting period.		
1.25	Explain, where grant-making forms a material part of its charitable activities, the charity's grant-making policy for the selection of individuals or institutions who are to receive grants.		
1.25	Explain, where social investment forms a material part of its charitable investments activities, the social investment policies and how the social investments contributed to the achievement of the charity's aims and objectives.		
<b>Objectives and activities – should include:</b>			
1.22	An explanation of the activities, projects or services identified in the accompanying accounts (i.e, SOFA and Notes to the accounts).		
1.26	Information on the number of general volunteers and an explanation of the activities that they were supporting or helping to provide.		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Objectives and activities – may:</b>			
1.26	Include details of the contribution of general volunteers in terms of volunteer hours or staff equivalents.		
<b>Achievements and performance – must include:</b>			
	A summary of the main achievements of the charity considering:		
1.27	<ul style="list-style-type: none"> <li>▪ how has the charity’s work made a difference to the circumstances of its beneficiaries; and</li> <li>▪ if the charity’s work provided any wider benefits to society as a whole.</li> </ul>		
1.28	A review of how well the charity (and subsidiaries if applicable) carried out their activities and the extent to which the actual achievements in the reporting period met the Charity’s overall stated aims and objectives.		
1.29	Where material financial investments are held, a review of investment performance against the stated investment objectives.		
1.30	The impact the charity has made and consider the long-term effect of its activities on individual beneficiaries and on society as a whole.		
<b>Achievements and performance – should include:</b>			
1.31	A summary of the measures or indicators to assess performance.		
1.31	An explanation of the outputs achieved by particular activities especially where numerical targets have been set.		
1.31	An explanation of how the activities, outputs and outcomes have contributed to the charity’s stated aims and objectives.		
1.32	Significant positive and negative factors (both within and outside the charity’s control) which have affected the achievement of its objectives and its influence on future plans (i.e., relationships with employees, service users, beneficiaries and funders and its position in the wider community)		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Financial review - must:</b>			
1.34	<p>Include a review of the charity's financial position at the end of the reporting period.</p> <p>All financial details used in the report must be consistent with the figures in the accounts.</p>		
1.35	<p>Identify any materially deficit fund or subsidiary undertaking if applicable and provide an explanation regarding the circumstances resulting in the deficit and the steps being taken to eliminate the deficit.</p>		
1.37	<p>Explain any policy it has for holding reserves (that part of a charity's unrestricted funds that is freely available to spend on its charitable purposes), state the amount of those reserves and why they are held.</p>		
1.38	<p>Ensure that the figure for reserves is consistent with the accounts.</p>		
1.39	<p>Include a comparison between the amount of reserves at the end of the reporting period with the charity's reserves policy.</p>		
1.39	<p>Include, where applicable, an explanation of the steps the charity is taking to bring the amount of reserves it holds in line with the policy.</p>		
1.40	<p>Include a review of the reserves that identifies and explains any material amounts that have been designated or committed at the end of the reporting period.</p>		
1.40	<p>Include a review of the reserves that indicates the likely timing of the expenditure of any material amounts designated or committed at the end of the reporting period.</p>		
1.41	<p>Explain, where a charity has no reserves (or negative net assets on the balance sheet), why it is still operating as a going concern is necessary.</p>		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.42	Explain, if, at the date of the report and accounts approval there are material uncertainties about the charity's ability to continue as a going concern, the nature of these uncertainties.		
1.43	Include significant events that have affected the financial performance and position of the charity during the reporting period.		
1.43	Include the principal sources of income of the charity in the reporting period and how these resources have been spent to support the key objectives of the charity		
1.43	Include the principal risks, including any risks arising from environmental issues, cyber and uncertainties facing the charity (and its subsidiary undertakings)		
1.43	Include a summary of the trustees' plans and strategies for managing those principal risks		
1.44	Explain, where the charity holds material financial investments, the policies adopted by the trustees for the selection, retention and realisation of investments including the extent to which it takes social, environmental or ethical considerations into account.		

#### Financial review – should include:

- |      |   |  |  |
|------|---|--|--|
| 1.45 | The impact of a material pension liability arising from obligations to a defined-benefit pension scheme or pension asset on the financial position of the charity |  |  |
| 1.45 | The impact of any material legacy income recognised in the accounts prior to the resources being received.  |  |  |

#### Plans for future periods – must include:

- |      |   |  |  |
|------|---|--|--|
| 1.47 | A summary of the charity's plans for the future being sure to consider its reserves and going concern assessment.                       |  |  |
| 1.48 | A summary of the charity's plans for the future including its aims and objective and details of any activities planned to achieve them. |  |  |

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Plans for future periods – should:</b>			
1.49	Explain the trustees' perspective of the future direction of the charity, going into detail about experience gained or lessons learned from past and current activities have influenced future plans and decisions about allocating resources to their best effect.		
<b>Structure, governance and management – must:</b>			
1.50	State the nature of the governing documents (i.e., trust deed, memorandum and articles of association, Charity Commission scheme, Royal Charter, etc).		
1.50	Explain how the charity is constituted (i.e., limited company, unincorporated association, trustees incorporated as a body, charitable incorporated organisation, community benefit society, industrial and provident or friendly society, etc).		
1.50	Explain the methods used to recruit and appoint new charity trustees, including details of any constitutional provisions for appointment (i.e., election to post).		
1.52	Explain the charity's organisational structure and, where relevant, those of its subsidiary undertakings.		
1.53	Explain the policies and procedures for the induction and ongoing training of trustees.		
1.54	Explain how the charity makes decisions, for example, which types of decisions are taken by the charity's trustees and which are delegated to staff.		
1.54	Explain the arrangements for setting the pay and remuneration of the charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay.		
1.54	Explain the impact on the operating policies adopted by the charity if the ~charity is part of a wider network (for example, if it is affiliated with an umbrella group)		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.54	Explain the relationships between the charity and related parties, including its subsidiary undertakings (if applicable), and with any other charities and organisations with which it co-operates in pursuit of its charitable objectives.		
<b>Structure, governance and management – should include:</b>			
1.50	Where any other person or extended body is entitled to appoint one or more of the charity trustees, it should explain this and give the name of that person/body.		
<b>Structure, governance and management – may:</b>			
1.51	Withhold certain governance and management details where the criteria for exemption from disclosure are satisfied.		
<b>Reference and administration details – must include:</b>			
1.55	The name of the charity (i.e., the name by which it is registered).		
1.55	Any other name that the charity uses.		
1.55	The charity registration number for the jurisdiction in which it is registered as a charity (if applicable, its company registration number).		
1.55	The address of the principal office of the charity or an address where the charity can be contacted. (A charitable company must provide the address of its registered office).		
1.55	The name of all those who were the charity's trustees on the date the report was approved, or who served as a trustee in the reporting period.		
1.55	Where a charity has any corporate trustees, the names of the directors of the body corporate on that date the report was approved.		
1.55	The name(s) of any trustee for the charity who is holding the title to property belonging to the charity on the date the report was approved.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.55	The name(s) of any trustee for the charity who served in the reporting period holding the title to property belonging to the charity.		
1.57	The name of the charity's auditors		
1.58	The name of any chief executive officer or other senior management personnel to whom the trustees delegate day-to-day management of the charity on the date the report was approved or who served in the period.		
1.58	The names and address of any other relevant organisations or persons providing banking services or professional advice to the charity, including its solicitors and investments advisers		

#### Reference and administration details - may:

- 1.56/  
1.59 Withhold certain reference and administration details where the criteria for exemption from disclosure are satisfied (para 1.66).

#### Sustainability - may:

- 1.60 Explain in the report how the charity is responding to and managing environmental, governance and social matters, considering the needs of stakeholders when reporting in this area.

#### Other

**Funds held as an agent or holding trustee - must be disclosed in the trustees' report or as a note to the accounts:**

- A description of the assets, classes of assets or categories of assets which they hold in this capacity.
- 
- 19.14 The name and objects of the charity (or charities) on whose behalf the assets are held and how this activity falls within the holding charity's objects.
- 
- Details of the arrangements for safe custody and segregation of such assets from the charity's own assets

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Consolidated accounts – only applicable to charitable groups subject to audit or voluntarily consolidating</b>			
1.74	When preparing consolidated accounts, charities must expand their report to include relevant information about their subsidiary undertakings.		
<b>Fundraising – only applicable for charities subject to audit</b> <b>The annual report must include a statement on each of the following:</b>			
	The fundraising approach taken by the charity, or by anyone acting on its behalf, and whether a professional fundraiser or commercial participator carried out any fundraising activities.		
	Details of any fundraising standards or scheme for fundraising regulation that the charity has voluntarily subscribed to.		
	Details of any fundraising standards or scheme for fundraising regulation that any person acting on behalf of the charity has voluntarily subscribed to.		
ChA 2011 162A	Details of any failure by the charity, or by any person acting on its behalf, to comply with fundraising standards or scheme for fundraising regulation that the charity or the person acting on its behalf has voluntarily subscribed to.		
	Whether the charity monitored the fundraising activities of any person acting on its behalf and, if so, how it did so.		
	The number of complaints received by the charity, or by a person acting on its behalf for the purposes of fundraising, about fundraising activity.		
	What the charity has done to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy, unreasonably persistent or places undue pressure on a person to give money or other property.		

# Appendix 3: Tier 3 Charity Trustees' report disclosures.

January 2026

This checklist is specifically designed for Tier 3 charities whose gross income exceeds £15 million (€15 million). It outlines the essential reporting requirements set out for the Trustees Report, as introduced in the new Statement of Recommended Practice for charities (SORP 2026). These requirements are applicable for accounting periods commencing on or after 1 January 2026.

The checklist is organised into three distinct categories to clarify the expectations for reporting:

- **Must be included:** These are mandatory disclosures that charities are required to present in their Trustees Report.
- **Should be included:** These items are strongly recommended for inclusion to enhance transparency and provide additional useful information.
- **May be included:** These are optional elements that charities can choose to include if relevant to their operations and beneficial to stakeholders.

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Objectives and activities – must:</b>			
1.19	Include a summary of the purposes of the Charity as set out in its governing document.		
1.19	Include a summary of the main activities undertaken in relation to those purposes.		
1.20	Explain the main activities undertaken to further the charity's purpose for the public benefit.		
1.20	Include a statement confirming whether the trustees have had regard to the Charity Commission's guidance on public benefit.		
1.21	Include an explanation to help the user to understand the scale and nature of the activities undertaken by different volunteer roles and input from volunteers.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.23	Give a detailed understanding of their short term and longer term aims and objectives and how those in the short term relate to those in the longer term (For specific activities, it is helpful for the user to be provided details regarding scale and resources such as amount spent on or number of staff engaged in this activity.)		
1.24	State the aims and objectives that the trustees have set for the charity in the reporting period and how the charity has performed against these.		
1.24	Set out the significant activities that the charity undertakes and how these contribute to the achievement of the charity's stated aims and objectives.		
1.24	Explain the changes or difference the charity seeks to make through its activities.		
1.24	Explain the charity's strategies for achieving its stated aims and objectives.		
1.24	Explain the criteria or measure the charity uses to assess success in the reporting period.		
1.25	Explain, where grant-making forms a material part of its charitable activities, the charity's grant-making policy for the selection of individuals or institutions who are to receive grants.		
1.25	Explain, where social investment forms a material part of its charitable investments activities, the social investment policies and how the social investments contributed to the achievement of the charity's aims and objectives.		
<b>Objectives and activities – should include:</b>			
1.22	An explanation of the activities, projects or services identified in the accompanying accounts (i.e, SOFA and Notes to the accounts).		
1.26	Information on the number of general volunteers and an explanation of the activities that they were supporting or helping to provide.		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Objectives and activities – may:</b>			
1.26	Include details of the contribution of general volunteers in terms of volunteer hours or staff equivalents.		
<b>Achievements and performance – must include:</b>			
	A summary of the main achievements of the charity considering:		
1.27	<ul style="list-style-type: none"> <li>▪ how has the charity’s work made a difference to the circumstances of its beneficiaries; and</li> <li>▪ if the charity’s work provided any wider benefits to society as a whole.</li> </ul>		
1.28	A review of how well the charity (and subsidiaries if applicable) carried out their activities and the extent to which the actual achievements in the reporting period met the Charity’s overall stated aims and objectives.		
1.29	Where material financial investments are held, a review of investment performance against the stated investment objectives.		
1.30	The impact the charity has made and consider the long-term effect of its activities on individual beneficiaries and on society as a whole.		
1.33	A review of the performance of material fundraising activities against the fundraising objectives.		
1.33	Where material expenditure was incurred to raise income, an explanation of the effect this expenditure has had, and is intended to have, on the net return from fundraising activities for both the current reporting period and future period.		
<b>Achievements and performance – should include:</b>			
1.31	A summary of the measures or indicators to assess performance.		
1.31	An explanation of the outputs achieved by particular activities especially where numerical targets have been set.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.31	An explanation of how the activities, outputs and outcomes have contributed to the charity's stated aims and objectives.		
1.32	Significant positive and negative factors (both within and outside the charity's control) which have affected the achievement of its objectives and its influence on future plans (i.e., relationships with employees, service users, beneficiaries and funders and its position in the wider community)		
<b>Financial review – must:</b>			
1.34	Include a review of the charity's financial position at the end of the reporting period. All financial details used in the report must be consistent with the figures in the accounts.		
1.35	Identify any materially deficit fund or subsidiary undertaking if applicable and provide an explanation regarding the circumstances resulting in the deficit and the steps being taken to eliminate the deficit.		
1.37	Explain any policy it has for holding reserves (that part of a charity's unrestricted funds that is freely available to spend on its charitable purposes), state the amount of those reserves and why they are held.  State if the trustees have decided that holding reserves is unnecessary, and explain the reasoning behind this decision.		
1.38	Ensure that the figure for reserves is consistent with the accounts.  Where this is not evident, the charity must provide a reconciliation either in the funds note or as a separate note.		
1.39	Include a comparison between the amount of reserves at the end of the reporting period with the charity's reserves policy.		
1.39	Include, where applicable, an explanation of the steps the charity is taking to bring the amount of reserves it holds in line with the policy.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.40	Include a review of the reserves that identifies and explains any material amounts that have been designated or committed at the end of the reporting period.		
1.40	Include a review of the reserves that indicates the likely timing of the expenditure of any material amounts designated or committed at the end of the reporting period.		
1.41	Explain, where a charity has no reserves (or negative net assets on the balance sheet), why it is still operating as a going concern is necessary.		
1.42	Explain, if, at the date of the report and accounts approval there are material uncertainties about the charity's ability to continue as a going concern, the nature of these uncertainties.		
1.43	Include significant events that have affected the financial performance and position of the charity during the reporting period.		
1.43	Include the principal sources of income of the charity in the reporting period and how these resources have been spent to support the key objectives of the charity		
1.43	Include the principal risks, including any risks arising from environmental issues, cyber and uncertainties facing the charity (and its subsidiary undertakings)		
1.43	Include a summary of the trustees' plans and strategies for managing those principal risks		
1.44	Explain, where the charity holds material financial investments, the policies adopted by the trustees for the selection, retention and realisation of investments including the extent to which it takes social, environmental or ethical considerations into account.		
1.46	Explain any factors that are likely to affect the financial performance or position going forward		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Financial review – should include:</b>			
1.45	The impact of a material pension liability arising from obligations to a defined-benefit pension scheme or pension asset on the financial position of the charity		
1.45	The impact of any material legacy income recognised in the accounts prior to the resources being received.		
<b>Plans for future periods – must include:</b>			
1.47	A summary of the charity's plans for the future being sure to consider its reserves and going concern assessment.		
1.48	A summary of the charity's plans for the future including its aims and objective and details of any activities planned to achieve them.		
<b>Plans for future periods – should:</b>			
1.49	Explain the trustees' perspective of the future direction of the charity, going into detail about experience gained or lessons learned from past and current activities have influenced future plans and decisions about allocating resources to their best effect.		
<b>Structure, governance and management – must:</b>			
1.50	State the nature of the governing documents (i.e., trust deed, memorandum and articles of association, Charity Commission scheme, Royal Charter, etc).		
1.50	Explain how the charity is constituted (i.e., limited company, unincorporated association, trustees incorporated as a body, charitable incorporated organisation, community benefit society, industrial and provident or friendly society, etc).		
1.50	Explain the methods used to recruit and appoint new charity trustees, including details of any constitutional provisions for appointment (i.e., election to post).		
1.52	Explain the charity's organisational structure and, where relevant, those of its subsidiary undertakings.		

Ref.	Requirement	Included Yes/No/N/A	Comment
1.53	Explain the policies and procedures for the induction and ongoing training of trustees.		
1.54	Explain how the charity makes decisions, for example, which types of decisions are taken by the charity's trustees and which are delegated to staff.		
1.54	Explain the arrangements for setting the pay and remuneration of the charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay.		
1.54	Explain the impact on the operating policies adopted by the charity if the -charity is part of a wider network (for example, if it is affiliated with an umbrella group)		
1.54	Explain the relationships between the charity and related parties, including its subsidiary undertakings (if applicable), and with any other charities and organisations with which it co-operates in pursuit of its charitable objectives.		

#### Structure, governance and management – should include:

- 1.50 Where any other person or extended body is entitled to appoint one or more of the charity trustees, it should explain this and give the name of that person/body.

#### Structure, governance and management – may:

- 1.51 Withhold certain governance and management details where the criteria for exemption from disclosure are satisfied.

#### Reference and administration details – must include:

- 1.55 The name of the charity (i.e., the name by which it is registered).
- 1.55 Any other name that the charity uses.
- 1.55 The charity registration number for the jurisdiction in which it is registered as a charity (if applicable, its company registration number).

Ref.	Requirement	Included Yes/No/N/A	Comment
1.55	The address of the principal office of the charity or an address where the charity can be contacted. (A charitable company must provide the address of its registered office).		
1.55	The name of all those who were the charity's trustees on the date the report was approved, or who served as a trustee in the reporting period.		
1.55	Where a charity has any corporate trustees, the names of the directors of the body corporate on that date the report was approved.		
1.55	The name(s) of any trustee for the charity who is holding the title to property belonging to the charity on the date the report was approved.		
1.55	The name(s) of any trustee for the charity who served in the reporting period holding the title to property belonging to the charity.		
1.57	The name of the charity's auditors		
1.58	The name of any chief executive officer or other senior management personnel to whom the trustees delegate day-to-day management of the charity on the date the report was approved or who served in the period.		
1.58	The names and address of any other relevant organisations or persons providing banking services or professional advice to the charity, including its solicitors and investments advisers		

#### Reference and administration details - may:

- 1.56/  
1.59 Withhold certain reference and administration details where the criteria for exemption from disclosure are satisfied (para 1.66).

#### Sustainability - must:

- 1.61 Provide a summary of how the charity is responding to and managing environmental, governance and social matters.

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Sustainability – should include:</b>			
1.64	A link or other explanation of where to find sustainability information, if the charity is already reporting on these matters but the detail is not included in the trustees' annual report.		
<b>Sustainability – may:</b>			
1.60	Explain in the report how the charity is responding to and managing environmental, governance and social matters, considering the needs of stakeholders when reporting in this area.		
1.62	Provide details of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.		
1.63	Include details of governance matters, such as privacy, cyber security, data security and business ethics.		
1.63	Include details of social matters, such as information on employee engagement and wellbeing, board diversity and inclusion and how a charity supports its local community		
<b>Other</b>			
<b>Funds held as an agent or holding trustee – must be disclosed in the trustees' report or as a note to the accounts:</b>			
	A description of the assets, classes of assets or categories of assets which they hold in this capacity.		
19.14	The name and objects of the charity (or charities) on whose behalf the assets are held and how this activity falls within the holding charity's objects.		
	Details of the arrangements for safe custody and segregation of such assets from the charity's own assets		

Ref.	Requirement	Included Yes/No/N/A	Comment
------	-------------	------------------------	---------

**Consolidated accounts – only applicable to charitable groups**

1.74 When preparing consolidated accounts, charities must expand their report to include relevant information about their subsidiary undertakings.

**Fundraising – only applicable for charities subject to audit**  
**The annual report must include a statement on each of the following:**

The fundraising approach taken by the charity, or by anyone acting on its behalf, and whether a professional fundraiser or commercial participator carried out any fundraising activities.

Details of any fundraising standards or scheme for fundraising regulation that the charity has voluntarily subscribed to.

Details of any fundraising standards or scheme for fundraising regulation that any person acting on behalf of the charity has voluntarily subscribed to.

ChA 2011 162A Details of any failure by the charity, or by any person acting on its behalf, to comply with fundraising standards or scheme for fundraising regulation that the charity or the person acting on its behalf has voluntarily subscribed to.

Whether the charity monitored the fundraising activities of any person acting on its behalf and, if so, how it did so.

The number of complaints received by the charity, or by a person acting on its behalf for the purposes of fundraising, about fundraising activity.

What the charity has done to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy, unreasonably persistent or places undue pressure on a person to give money or other property.

# Appendix 4: Charitable company report disclosures.

## January 2026

This checklist should be used alongside the Trustees' Report disclosures checklist applicable to your organisation (Appendix 1 – 3). Its purpose is to identify and highlight the supplementary disclosures required specifically for charitable companies.

### Charitable company size thresholds

#### The Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024

has come into force, increasing the monetary size thresholds for micro, small and medium-sized entities for financial years commencing on or after 6 April 2025. For charitable companies only the small and medium-sized thresholds are relevant as no charitable company is permitted to prepare micro entity accounts.

The table below sets out the new size thresholds that will be met for a financial year if any two of the three criteria are met. The size of the entity for year ends commencing on or after the 6 April 2025 should be assessed as if the new rules had always been in force.

	Small	Medium
Turnover not more than:	£15m	£54m
Balance sheet total (i.e. total assets/total funds) not more than:	£7.5m	£27m
Monthly average number of employees, not more than:	50	250

The income threshold for small charitable companies aligns with the Tier 3 charity reporting threshold. However, charitable companies will need to assess their size for trustee reporting and companies act thresholds separately as the employee and balance sheet thresholds may mean that there is not a direct correlation between the categories.

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Directors' report</b>			
	<b>A separate statutory directors' report does not need to be prepared for charitable companies provided that the trustees' annual report contains all the information required to be provided under the Companies Act 2006. There is inevitably some duplication between the Companies Act requirements and those of SORP 2026, but they have been included in the interests of completeness.</b>		
s419(1)	The directors' report must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company, with the name clearly stated.		
s416(1a)	The names of the persons who, at any time during the financial year, were directors of the company.		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Directors' report</b>			
s236(2)(3)	<p>Provisions for the benefit of one or more directors of the company. If -</p> <p>(a) at the time when the directors' report is approved any qualifying third party indemnity provision (whether made by the company</p> <p>(b) at any time during the financial year, any such provision was in force for the benefit of one or more persons who were then directors of the company,</p> <p>the directors' report must state that any such provision is or (as the case may be) was so in force.</p>		
s236(2)(3)	<p>Provisions for the benefit of one or more directors of an "associated company".</p> <p>(a) at the time when the directors' report is approved any qualifying third party indemnity provision made by the company is in force for the benefit of one or more directors of an associated company, or</p> <p>(b) at any time during the financial year, any such provision was in force for the benefit of one or more persons who were then directors of an associated company,</p> <p>the directors' report must state that any such provision is or (as the case may be) was so in force.</p>		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>If the aggregate amount of all donations and expenditure in the EU made by a company and its subsidiaries exceeds £2,000 the directors' report must:</b>			
<b>Acc Regs Sch7:3-5/ Small Co Acc Regs Sch 5:2-3</b>	<p>Disclose the following for political donations and expenditure in the EU area (separately identified by reference to each subsidiary). The scope of this requirement includes donations made to any independent election candidate:</p> <p>(a) the name of each registered party or other EU political organisation which has been the recipient of a donation;</p> <p>(b) the total amount given to that party or organisation in the financial year; and</p> <p>(c) the total amount of EU political expenditure incurred by the company in the financial year.</p>		

## Directors' report

### Additional reporting required as a result of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

For LARGE charitable companies (guidance from Information sheet 5 issued by the SORP making body)

**Acc Regs  
Sch 7: 7A**

A low energy organisation is not required to make the detailed disclosures but must state why they are not making the disclosures. A low energy organisation is one which has consumed 40MWh or less during the period covered by the report. In assessing whether or not the 40MWh threshold is met, charitable companies must consider all the energy from gas, electricity and transport fuel. It should be noted that where consolidated accounts are prepared for the exemption to apply the group then the consumption of the group as a whole must also be less than 40MWh or the subsidiary will have to separately report as required by the Regulations. A subsidiary need not provide its own reporting if it is included in a group report.

Ref.	Requirement	Included Yes/No/N/A	Comment
UK energy use	<p>Trustees (Directors) will need to report on energy use for the associated greenhouse gas emissions that relate to:</p> <ul style="list-style-type: none"> <li>activities for which the charitable companies are responsible for involving the combustion of gas, or consumption of fuel for the purposes of transport; and</li> <li>the purchase of electricity by the charitable company for its own use, including for the purposes of transport.</li> </ul> <p>The report must disclose a figure, in kWh, of the annual quantity of energy. Trustees should consider the charity's activities and supply chains to consider all other relevant energy sources.</p> <p>The 2018 Regulations set out that 'energy' means all forms of energy products where "energy products" means combustible fuels, heat, renewable energy, electricity, or any other form of energy.</p>		
Associated greenhouse gas emissions	<p>The relevant report must state the annual quantity of emissions in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) resulting from the total UK energy use from electricity, gas and transport from the sources used as above.</p>		
At least one intensity ratio	<p>An intensity ratio is a measure of environmental impact, such as greenhouse gasses generated, divided by a relevant commercial metric. Common metrics are turnover or output but others might be sales revenue or square metres of floor space. Annex F to the SECR Reporting Guidelines provides some common intensity ratios.</p>		

Ref.	Requirement	Included Yes/No/N/A	Comment
Previous year's information	Information for energy use and greenhouse gas emissions must be provided for the previous financial year. This is with the exception of the first year of the application of the reporting requirements.		
Information about energy efficiency action	If actions have been taken to improve the businesses' energy efficiency during the financial year covered by the relevant report, a description of the principal energy efficiency actions taken should be disclosed in the relevant report.		
Methodologies used in calculation of disclosures	There is no methodology prescribed in legislation. However, the one adopted must be based on robust and sound methodologies. The SECR Reporting Guidelines recommend that methodologies used are widely recognised independent standards.		
	Offshore undertakings (which undertake wholly or mainly offshore operations as defined by the 2018 Regulations) must disclose emissions and energy use for the UK and offshore areas.		
<b>Strategic report</b>			
<b>A strategic report is only required by large and medium-sized charitable companies (thresholds above). A separate report does not need to be prepared, but the elements of the strategic report should be clearly identified.</b>			
s414D(1)	The strategic report must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.		
s414C (2a)	A fair review of the company's business.		
s414C (2b)	A description of the principal risks and uncertainties facing the company.		

Ref.	Requirement	Included Yes/No/N/A	Comment
s414C (3)	The review of the company's business must contain a balanced and comprehensive analysis of the development and performance of the company's business during the financial year, and the position of the company's business at the end of that year consistent with the size and complexity of the business.		
s414C (4)(5)	The review of the company's business must contain analysis using financial key performance indicators by reference to which the development, performance or position of the company's business can be measured effectively, this should include financial key performance indicators.		
<b>For LARGE charitable companies</b>			
s414C (4)(6)	The strategic review must also contain analysis using other key performance indicators, including information relating to environmental matters and employee matters.		
S414 CZA	A strategic report for a financial year of a company must include a statement (a "section 172(1) statement") which describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172.		
s172(1a)	The likely consequences of any decision in the long term.		
s172(1b)	The interests of the company's employees.		
s172(1c)	The need to foster the company's business relationships with suppliers, customers and others.		
s172(1d)	The impact of the company's operations on the community and the environment.		

Ref.	Requirement	Included Yes/No/N/A	Comment
<b>Strategic report</b>			
s172(1e)	The desirability of the company maintaining a reputation for high standards of business conduct.		
s172(1f)	The need to act fairly as between members of the company.		

**PEM**  
Salisbury House  
Station Road  
Cambridge CB1 2LA

t. 01223 728222  
e. [pem@pem.co.uk](mailto:pem@pem.co.uk)

[pem.co.uk](http://pem.co.uk)

