

Charity Trustee Report requirement under the new Charities SORP (2026)

There is now a three-tier framework in place for charity trustee reports, meaning there are different requirements based on the charity's gross income.

The Charities Statement of Recommended Practice (SORP) 2026, effective for accounting periods beginning on or after 1 January 2026, brings significant updates to how charities prepare their trustees' annual reports. These changes aim to enhance transparency, improve proportionality based on charity size, and ensure that financial reporting better serves the needs of donors, regulators, and the public.

The trustees' annual report is a vital narrative document that complements the financial statements. It provides context, insight, and accountability by explaining the charity's activities, achievements, governance, and use of resources. Under the new SORP, the report must be tailored according to the charity's income level, with a three-tier framework now in place.

The complete Charities SORP 2026, including module-by-module changes and implementation guidance, is available at the [official SORP website](#).

The below table uses the requirements as worded in the SORP but condensed into a table to help identify the requirements for each tier:

Objectives and activities

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
The purposes of the charity as set out in its governing document.	✓	✓	✓
The main activities undertaken in relation to those purposes.	✓	✓	✓
Explanation of the main activities undertaken to further the charity's purposes for the public benefit.	✓	✓	✓
Inclusion of a statement confirming whether the trustees have had regard to the Charity Commission's guidance on public benefit.	✓	✓	✓
Explanation of the scale and nature of the activities undertaken by different volunteer roles and the input from volunteers.	✓	✓	✓
Explanation of the activities, projects or services identified in the accompanying accounts. Financial information provided in the report about the resources spent on particular activities should be consistent with the analysis provided in the statement of financial activities and in the notes to the accounts.	✓	✓	✓

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
What aims and objectives have trustees set for the charity this reporting period and how has the charity performed against the stated aims and objectives.	X	✓	✓
The significant activities the charity undertakes (including its main programmes, projects or services provided) and how these contribute to the achievement of the charity's stated aims and objectives.	X	✓	✓
The changes or differences the charity seeks to make through its activities.	X	✓	✓
The charity's strategies for achieving its stated aims and objectives.	X	✓	✓
The criteria or measures the charity uses to assess success in the reporting period.	X	✓	✓
Explanation of the use the charity makes of grant-making where this forms a material part of its charitable activities. The report must explain the charity's grant-making policy for the selection of individuals or institutions who are to receive grants.	X	✓	✓
Explanation of the use the charity makes of social investment where this forms a material part of its charitable and investment activities. The report must provide an explanation of its social investment policies and explain how the investments contributed to the achievement of its aims and objectives.	X	✓	✓
Charities reporting on the contribution of general volunteers should provide: <ul style="list-style-type: none"> Information on the number of volunteers. An explanation of the activities that volunteers support or help to provide. Charities may provide details of the contribution in terms of volunteer hours or staff equivalents, if practicable	X	✓	✓

Achievements and performance

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Summary of the main achievements of the charity considering the below two aspects: <ul style="list-style-type: none"> Description of the way the charity's work has made a difference to the circumstances of its beneficiaries. Has the charity's work provided any wider benefits to society as a whole? 	✓	✓	✓

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Description of how well the charity and any subsidiaries carried out their activities and how this aligns to their aims and objectives.	X	✓	✓
Review of investment performance against objectives of the charity where applicable and where material investments are held.	X	✓	✓
Explanation of the impact the charity is making and a consideration of the long-term effect of its activities on individual beneficiaries and on society as a whole. Beneficiary impact stories may be helpful to communicate this. More guidance on par 1.31 of the Charity SORP.	X	✓	✓
Comments on those significant positive and negative factors, both within and outside the charity's control, which have affected the achievement of its objectives and, where relevant, an explanation of how this has influenced future plans.	X	✓	✓
In relation to fundraising: <ul style="list-style-type: none"> •The performance of material fundraising activities against the fundraising objectives. •If 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 reporting period and future periods. 	X	X	✓

Financial review

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Review of the charity's financial position at the end of the reporting period, ensuring all financial details used in the report are consistent with the figures in the accounts.	✓	✓	✓
Identification of any fund or subsidiary undertaking that is materially in deficit, explaining the circumstances giving rise to the deficit and the steps being taken to eliminate the deficit.	✓	✓	✓
Explanation of any policy it has for holding reserves.	✓	✓	✓
Explanation of the amount of holding reserves and why they are held (should agree to the accounts).	✓	✓	✓
Explanation of why the trustees have decided that holding reserves is unnecessary, if that is the case.	✓	✓	✓

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Comparison of the amount of reserves with the charity's reserves policy.	✓	✓	✓
Explanation, where relevant, of the steps the charity is taking, given their plans for the future activities of the charity, to bring the amount of reserves it holds into line with the policy.	✓	✓	✓
Identification and explanation of any material amounts that have been designated or otherwise committed as at the end of the reporting period.	✓	✓	✓
Indication of the likely timing of the expenditure of any material amounts designated or otherwise committed at the end of the reporting period.	✓	✓	✓
Where a charity has no reserves (or negative net assets on the balance sheet), an explanation of why it is still operating as a going concern.	✓	✓	✓
If there are material uncertainties about the charity's ability to continue as a going concern, an explanation of the nature of these uncertainties must be given.	✓	✓	✓
Explanation of 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.	X	✓	✓
Description of the principal risks, including any risks arising from environmental issues, cyber and uncertainties facing the charity and its subsidiary undertakings, as identified by the charity trustees, together with a summary of their plans and strategies for managing those risks.	X	✓	✓
Where material financial investments are held, an explanation of the policies adopted by the charity trustees for the selection, retention and realisation of investments including the extent (if any) to which it takes social, environmental or ethical considerations into account.	X	✓	✓
Explanation of the impact, if any, of a material pension liability arising from obligations to a defined-benefit pension scheme or pension asset on the financial position of the charity.	X	✓	✓
Explanation of the impact of any material legacy income recognised in the accounts prior to the resources being received. This explanation is to help users of the accounts to understand the effect timing differences may have on resources available to the charity.	X	✓	✓
Explanation of any factors that are likely to affect the financial performance or position going forward.	X	X	✓

Plans for future periods

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Summary of the charity's plans for the future. This should be looked at in conjunction with going concern and reserves.	✓	✓	✓
Summary of the charity's plans for the future, including its aims and objectives and details of any activities planned to achieve them.	X	✓	✓
Explanation of the trustees' perspective of the future direction of the charity. It should explain, where relevant, how experience gained or lessons learned from past or current activities have influenced future plans and decisions about allocating resources to their best effect.	X	✓	✓

Structure, governance and management

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Details of the nature of the governing document (for example, trust deed, memorandum and articles of association, Charity Commission scheme, Royal Charter, etc.).	✓	✓	✓
Detail of how the charity is (or its trustees are) constituted (for example, limited company, unincorporated association, trustees incorporated as a body, charitable incorporated organisation, community benefit society, industrial and provident or friendly society, etc.).	✓	✓	✓
Detail the methods used to recruit and appoint new charity trustees, including details of any constitutional provisions for appointment (for example, election to post). Where any other person or external body is entitled to appoint charity trustees, an explanation should be given along with the name of that person or body	✓	✓	✓
N.B. - Charities may withhold certain governance and management details where the criteria for exemption from disclosure are satisfied	✓	✓	✓
Explanation of the charity's organisational structure and, where relevant, those of its subsidiary undertakings.	X	✓	✓
Explanation of the policies and procedures for the induction and ongoing training of trustees.	X	✓	✓
An understanding of how the charity is constituted and its governance and management structures	X	✓	✓

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Explanation of how the charity makes decisions, for example, which types of decisions are taken by the charity's trustees and which are delegated to staff.	X	✓	✓
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.	X	✓	✓
Relationships between the charity and related parties, including its subsidiary undertakings, and with any other charities and organisations with which it co-operates in the pursuit of its charitable objectives.	X	✓	✓
Where a charity is part of a wider network, an explanation of how, if at all, this impacts on the operating policies adopted by the charity.	X	✓	✓

Reference and administrative details

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
<p>Provide the following reference and administrative information about the charity and its trustees:</p> <ul style="list-style-type: none"> The name of the charity, which in the case of a registered charity means the name by which it is registered. Any other name that the charity uses. The charity registration number(s) for the jurisdiction(s) in which it is registered as a charity and, if applicable, its company registration number. The address of the principal office of the charity, where appropriate, or an address where the charity can be contacted. A charitable company must provide the address of its registered office. The names 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. Where a charity has any corporate trustees, the names of the directors of the corporate body on the date the report was approved. The names of any trustee for the charity: <ol style="list-style-type: none"> Holding the title to property belonging to the charity (for example, holding trustee or nominee) on the date the report was approved; or Who served as a trustee for the charity in holding the title to property belonging to the charity in the reporting period. 	✓	✓	✓

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Provide the name of auditors, if applicable.	X	✓	✓
Details of whom the trustees delegate day-to-day management of the charity and from whom trustees are taking advice. In particular, provide: <ul style="list-style-type: none"> The name of any chief executive officer or other senior management personnel to whom the charity trustees delegate day-to-day management of the charity on the date the report was approved, or who served in such a position in the reporting period in question. The names and addresses of any other relevant organisations or persons providing banking services or professional advice to the charity, including its solicitors, and investment advisers. 	X	✓	✓
N.B.- Charities may withhold certain governance and management details where the criteria for exemption from disclosure are satisfied	✓	✓	✓

Sustainability

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Optional explanation on how the charity is responding to and managing environmental, governance and social matters.	✓	✓	✓
Summary of how the charity is responding to and managing environmental, governance and social matters.	X	X	✓
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.	X	X	✓
Inclusion details of privacy, cyber security, data security and business ethics, whilst social matters may include information on employee engagement and wellbeing, board diversity and inclusion and how a charity supports its local community.	X	X	✓
In an event the charity is already reporting on these matters but the detail is not included in the trustees' annual report, details on where to find the information should be included, for example, a website link.	X	X	✓

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Charitable companies which fall within the scope of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (incorporating changes in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) 2018 Regulations) must provide the disclosures required.	X	X	✓
Some charitable companies may also be subject to the requirements in s414CB of the Companies Act 2006 for climate related disclosures.	X	X	✓

Exemptions from disclosure

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
The disclosure of the names of trustees, or of the charity's principal address, or the disclosure of the name(s) of any chief executive officer or other senior staff member(s) could lead to that person (or others) being placed in personal danger.	✓	✓	✓
Charities in England and Wales may, under the Charities (Accounts and Reports) Regulations 2008, omit the names of trustees or the charity's principal address (or registered office in the case of charitable companies) from their annual report provided the Charity Commission has given the charity trustees the authority to do this.	✓	✓	✓
In the UK, this SORP allows the name of any chief executive officer or senior staff member to be omitted where disclosure could lead to that person being placed in personal danger.	✓	✓	✓
Even though charities may omit the charity's principal address from their annual report, paragraph 3.24 of FRS 102, requires disclosure of the address of the charity's registered office (and principal place of business, if different from the registered office) in the notes to the accounts.	✓	✓	✓
N.B. - The directors of charitable companies registered in the UK should note that, with the exception of the name of the auditor, or senior statutory auditor in the case of an audit firm (section 506 of Companies Act 2006), there is no corresponding dispensation in relation to the disclosure of names of directors.	✓	✓	✓

Funds held as holding trustee on behalf of others

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Where a charity is, or its trustees are, acting as holding trustees, the charity must refer to SORP module 19 'Accounting for funds received as agent or as holding trustee'.	✓	✓	✓

Charitable companies

	Tier1 Gross Income < £500K	Tier 2 Gross Income < £15M	Tier 3 Gross Income > £15M
Trustees of charitable companies must also prepare a directors' report as required by company law. A separate trustees' annual report is not required provided that any statutory directors' report prepared also contains all the information that this SORP requires to be provided in the trustees' annual report	✓	✓	✓

We're here to help

Charities are encouraged to review the new requirements early and begin preparing for the transition. Trustees, finance teams, and auditors should work together to ensure compliance and uphold the principles of transparency and stewardship that underpin charitable work.

If you would like any further advice on ensuring your Trustees' Report is compliant with the Charities SORP (2026), please get in touch with a member of [our specialist team](#) or speak to [your usual adviser](#).

