

TRUSTEES' SHORT GUIDE SERIES

Annual returns.

Basic charity governance and accounting.

October 2026

pem.



In its role as regulator, the Charity Commission each year collects data on charities. It uses this data in the course of its work. Each year the Charity Commission publishes information regarding the questions it will ask.

And retrospectively the Charity Commission will publish its review of the data as part of it's remit around making information accessible and available to the general public. Information from the return is summarised on the Charity's individual entry on the Charity Commission website.

Information required:

Income under £10,000	Income and expenditure only
Income between £10,000 and £25,000	Questions about your charity
Income over £25,000	Questions about your charity Annual accounts - including: ▪ Trustees annual report ▪ Accounts ▪ Independent examiners report/Audit report Confirmation that there are no serious incidents which have not been reported.

Questions

The questions set by the Charity Commission evolve each year – and not all questions need to be answered by all charities as some questions depend on size, income sources, or activities.

The key areas of the return are:

Income

To understand the dependency of the charity on any one source of income and in particular the number and value of government contracts.

Spend

Grant giving activities, including whether any of the grantees are individuals, charities and /or related parties and trustee payments.

Activities outside of the United Kingdom

The methods, sources and amounts by which funds are received and paid overseas.

Trading subsidiaries

Number and whether any have been dissolved as well as whether trustees are also directors.

Property

Solely for unincorporated charities to identify property held on behalf of the charity.



Employees and volunteers

Numbers of staff (identifying those based outside the UK) and contractual arrangements (permanent, fixed, self-employed) and total spend.

It also requests information on higher paid staff (over £60,000) and the total value of benefit paid to the highest paid employee (although this figure is not disclosed in the charity information on the website).
The charity should also be able to identify the number of volunteers, excluding trustees, who carried out activities on behalf of the charity in the year.

Governance

The policies put in place by the charity.

Safeguarding and risk

Whether services are provided to children or adults at risk and the DBS checking arrangements.

Confirmations around serious incidents.

Next steps

Whilst many of the figures can be derived from the report and accounts it will not be the case for all figures. Trustees and management will need to ensure that they have appropriate systems to capture the data requested.

Trustees should consider the implications for accounting and reporting with their advisers or please contact any member of our Charities & Not-for-Profit team.

Further reading

- Charity Annual Return 2025 and 2026: question guide - GOV.UK (published May 2025)
- Annual Return 2024 analysis report - GOV.UK (published March 2026)

Your Charities & Non-profit team

Audit and accounts



Kelly Bretherick
Partner, Audit
e. kbretherick@pem.co.uk



Michael Hewett
Partner, Audit
e. mhewett@pem.co.uk



Nikki Loan
Partner, Audit
e. nloan@pem.co.uk



Grace Quist-Therson
Director, Audit
e. gquist-therson@pem.co.uk



James Rayson
Director, Audit
e. jrayson@pem.co.uk



Gemma Baratte
Senior Manager, Audit
e. gbaratte@pem.co.uk

Tax and VAT



Kate Millard
Director, Employment Tax
e. kmillard@pem.co.uk



Judith Pederzolli
Director, Business Tax & SDLT
e. jpederzolli@pem.co.uk



Robert Plumbly
Director, VAT
e. rplumbly@pem.co.uk



Michelle Harris
Assistant Director, VAT
e. mharris@pem.co.uk

Outsourcing: Virtual Finance Office (VFO)



Andrew Turpin
Partner, VFO
e. aturpin@pem.co.uk



Melissa Guenigault
Manager, VFO
e. mguenigault@pem.co.uk

Independent examination



Edward Spanner
Manager, Accounts
e. espanner@pem.co.uk



David Widdowson
Assistant Manager, Accounts
e. dwiddowson@pem.co.uk

pem.co.uk

PEM
Salisbury House
Station Road
Cambridge CB1 2LA

t. 01223 728222
e. pem@pem.co.uk

KRESTON GLOBAL

For General Information Purposes only

Please note that this document is not intended to give specific technical advice and it should not be construed as doing so. It is designed merely to alert clients to some issues. It is not intended to give exhaustive coverage of the topics. Professional advice should always be sought before action is either taken or refrained from as a result of information contained herein. The firm's full name and a full list of partners is available on our website.

This report/advice has been prepared solely for the purpose stated within it and for the use of the intended recipient. It must not be published, distributed, disclosed, reproduced, or otherwise made available to any third party without our prior written consent. It must also not be uploaded to, submitted to, or otherwise used with any website, online platform, public forum or generative artificial intelligence (AI) application, system, or service. We accept no responsibility or liability to any person arising from any unauthorised use, publication, disclosure, distribution, or reproduction of this report/advice, including any use in connection with AI tools or services.

© 1875 Accounting Limited 2026. PEM and the PEM logo are trademarks of 1875 Accounting Ltd. All rights reserved.