

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 |
|--|---|------------------------|---------|
| Objectives and activities – must: | | | |
| 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. | | |
| Objectives and activities – should include: | | | |
| 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 |
|---|--|------------------------|---------|
| Objectives and activities – may: | | | |
| 1.26 | Include details of the contribution of general volunteers in terms of volunteer hours or staff equivalents. | | |
| Achievements and performance – must include: | | | |
| | A summary of the main achievements of the charity considering: | | |
| 1.27 | <ul style="list-style-type: none"> ▪ how has the charity’s work made a difference to the circumstances of its beneficiaries; and ▪ if the charity’s work provided any wider benefits to society as a whole. | | |
| 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. | | |
| Achievements and performance – should include: | | | |
| 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 |
|---------------------------------|---|------------------------|---------|
| Financial review - must: | | | |
| 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:

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| 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:

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|------|---|--|--|
| 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 |
|---|---|------------------------|---------|
| Plans for future periods – should: | | | |
| 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. | | |
| 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). | | |
| 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. | | |
| 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). | | |
| 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.
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- 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.
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- 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 subject to audit or voluntarily consolidating | | | |
| 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. | | |