

THE ANNUAL REPORT (updated March 2010)

Main Points:

- what to include (42)
- how to go about the task (43)
- how to set it out (44)

42 What to include

Registered charities are required to produce an annual report which is submitted to the Charity Commission (in England and Wales) or to the Office of the Scottish Charity Regulator (OSCR) (in Scotland). The annual report incorporates the financial statement for the year but also states the aims of the charity and assesses its achievements during the year.

Methodist Churches are excepted from registration and the requirement to submit an annual report directly to the Charity Commission **provided that The Standard Form of Accounts is completed and forwarded to the appropriate Church authority** and provided gross income does not exceed the registration threshold (see 1-4)

In Scotland, all Methodist charities have registered with OSCR and there is no longer an excepting order.

However the Charity Commission or OSCR can at any time ask to see the annual report of any church. What would your Church be able to offer them?

At least once a year (and preferably at every meeting) the Church Council should place high on its agenda the work of God in the local church. At its best this will consist of more than a cursory report from various Church groups. Ask pertinent questions such as "How successful have we been with this project?" Seek the views of others. Consider what work is to continue and what may have reached the end of its useful life.

If properly structured and recorded in the minutes of the meeting the information necessary for any report required by the Charity Commission will be readily available.

43 How to go about the task

Managing trustees may well wish to consider a more formal assessment of the church's work so that the resources at their disposal may be used to their best potential. Each Church and community is unique and the approach taken will need to be tailored to meet the local situation.

However the benefits of taking time to consider the Church's work in a constructive way will be felt within the fellowship and act as an aid to put into focus areas for prayer and action.

Here are some ideas to start your thinking.....

- what is the Church for?
- a challenge... a positive statement before a negative one! (we are all better at identifying the difficulties in our work)
- what are the needs of the community?
- what are the gifts we have - how can they best be used?
how do we get the whole Church involved?
who can help? - information is available on the Methodist website to enable churches to review their life and mission.

44 How to set it out

It is good practice to prepare a written report. It puts the Church's financial statements into perspective and relates them to the world outside, and helps to link financial plans with the vision for the future. Use of photographs, graphics or other visual means can help to tell your story more clearly and make the report more readable.

If an annual report is to be produced the independent examiner/auditor should have sight of (at least) the draft, as part of their examination and consideration of the accounts.

Suggested format

Annual Report of Wesley Methodist Church

Administrative information:

- name of church.
- an explanation that the Church is a registered charity or excepted from registration with the Charity Commission and the number of the statutory instrument granting this exception (see *appendix 1*) or the HMRC (Her Majesty's Revenue and Customs) Gift Aid number. The latter is also the number to quote when identifying the trust body as a charity if not registered..
- address and correspondence address.
- name of person to whom correspondence should be addressed.
- the names of all those who have served as managing trustees in the year (Church Council).
- number of Church members.

Aims and organisation

- statement of the aims of the Church (you may wish to include your mission statement here).
- statement of the way in which the Church organises itself to carry out its stated aims and objectives.]

Review of progress and achievements

- Summary of the main achievements of the year
- how the Church's work has developed towards fulfilling its aims.
- progress of any special projects.
- Church's response to important events.
- value of the Church not in monetary terms but in worship, in the community and in other ways.

Financial Information

- a copy of the financial accounts for the year together with any explanatory information.
- information about any material voluntary help or free facilities provided for the Church's use.
- details of major transactions during the year.
- details of any important event that has taken place after the year end but which has an impact on the finances.

An example of a Trustees Annual Report with accompanying guidance can be found on the Methodist Website at www.methodist.org.uk. It uses the Charity Commission's standard format with Connexional guidance notes added.