



FINANCIAL  
MANAGEMENT

**ROYAL  
AIR FORCE**  
**Sports Federation**

# THE **EASY GUIDE** TO PREPARING YOUR TRUSTEES' ANNUAL REPORT





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# INTRODUCTION

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The RAF Sports Federation works closely with the 49 RAF sports associations. Our internal team provides professional insight and advice on a wide range of services including finance, governance, HR and communications.

This latest guidance is in response to a number of Trustees seeking our advice when developing their Trustees' annual reports.

Trustees' annual reports are a legal requirement for all charities and the responsibility of all Trustees. They need to contain specific areas of information for compliance, however do not need to be onerous or long.

This booklet is designed to give you a simple explanation and guide as to how to prepare your Trustees' annual reports. It will help you to meet your legal requirements as a Trustee and make the most of the content.

The Easy Guide should be used alongside the Trustees' annual report template provided by the RAF Sports Federation. It can be downloaded from our [website](#).



# THE BENEFITS OF THE TRUSTEES' ANNUAL REPORTS

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Aside from the legal obligation, there are a number of benefits to investing time in a good annual report.

1

### **Can be used to attract income**

– this is your opportunity to detail exactly what your sports association does and the impact it makes to the health and wellbeing of personnel and to the wider RAF. This should be written as a tool to provide evidence of impact to sponsors and potential partners.

2

### **Provides clarity to stakeholders**

– it provides clarity to internal and external stakeholders in the RAF and partners on where you are investing resources in the running of the respective sporting activities.

3

### **A one-stop shop for queries**

– a good report will provide absolute clarity of the decision-making and activity for the sports association. This provides a one-stop-shop for the majority of queries, reducing potential difficulties around reporting and accountability.



## WHAT NEEDS TO BE IN A TRUSTEES' ANNUAL REPORT?

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It is important to remember that an annual report is reflective.

This may sound obvious, but the document is a comprehensive review of the past twelve months. It is also a statement of fact, detailing important information about your sports association, its activities and how it provides 'public benefit'. However, the report should detail forward planning and strategy. Please see Point 1.10 on the SORP guidance on our [website](#).

The content of the report also depends on the size of the sports association but smaller charities are encouraged to provide the additional information required of larger organisations. Currently all RAF sports associations fall under the small category of charities so your report needs to include the following:

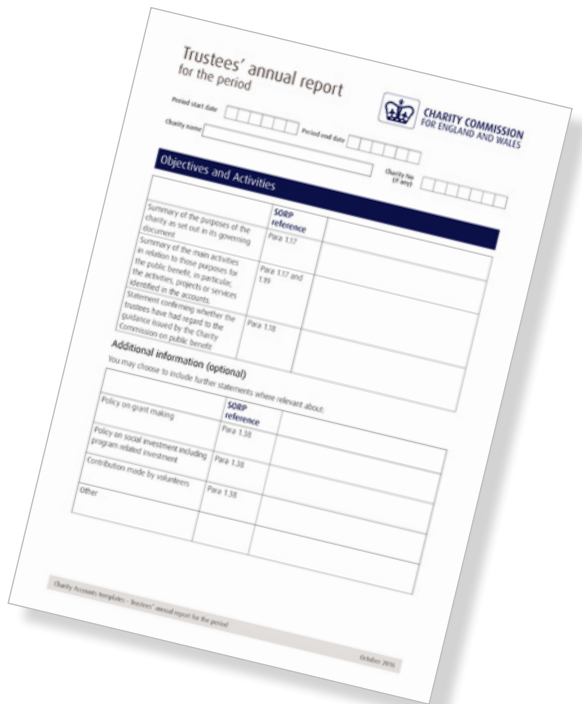
- ✓ Your sports association's/charity's name, registration number, address and Trustee names.
- ✓ Its structure and details of how it is managed, including how it recruits Trustees.
- ✓ Its activities and objectives in the year.
- ✓ Its achievements and performance, including reporting on its public benefit.
- ✓ A financial review including any debts and details of your reserves policy (if applicable).
- ✓ Exemptions for disclosure.
- ✓ Details of any funds held as a custodian Trustee on behalf of others.

# HOW DO YOU COMPLETE A TRUSTEES' ANNUAL REPORT?

You will need to complete the SORP FRS102 template – the RAF Sports Federation will supply you with this template or it can be downloaded from the Sport Federation [website](#).

**This template must be fully completed with key information as required.**

The following provides more clarity on the level of content for each section. Within the template there are a number of areas where additional information is required for larger charities only. This can be completed if you feel it adds value to the content.



The image shows a tilted view of the 'Trustees' annual report for the period' form. At the top right is the Charity Commission for England and Wales logo. Below the title are fields for 'Period start date', 'Period end date', 'Charity name', and 'Charity No. (if any)'. The main section is titled 'Objectives and Activities' and contains a table with two columns: a description and 'SORP reference'. The rows are: 'Summary of the purposes of the charity as set out in its governing documents' (Para 1.12), 'Summary of the main activities in relation to those purposes for the public benefit, in particular the activities, projects or services identified in the accounts' (Para 1.17 and 1.19), and 'Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit' (Para 1.18). Below this is the 'Additional information (optional)' section, with a note: 'You may choose to include further statements where relevant above.' It contains a table with two columns: a description and 'SORP reference'. The rows are: 'Policy on grant making' (Para 1.38), 'Policy on social investment including program related investment' (Para 1.38), 'Contribution made by volunteers' (Para 1.38), and 'Other'. At the bottom left, it says 'Charity Accounts template - Trustees' annual report for the period' and at the bottom right, '01 March 2015'.

	SORP reference
Summary of the purposes of the charity as set out in its governing documents	Para 1.12
Summary of the main activities in relation to those purposes for the public benefit, in particular the activities, projects or services identified in the accounts	Para 1.17 and 1.19
Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit	Para 1.18

	SORP reference
Policy on grant making	Para 1.38
Policy on social investment including program related investment	Para 1.38
Contribution made by volunteers	Para 1.38
Other	



## Objectives and activities

Complete this section to provide information to the reader on your sports associations aims and how they have fulfilled its legal purposes (i.e. what it is set up to achieve). This is an important starting point. Understanding clearly the charities objectives and achievements are essential, as you will require them for the template.

### **This section must include:**

- ◆ The purposes of the charity as set out in its governing document and the main activities undertaken in relation to those purposes.
- ◆ An explanation of the main activities undertaken to further the charity's purposes for the public benefit.
- ◆ A statement confirming whether the Trustees have had regard to the Charity.
- ◆ Commission's guidance on public benefit – (see publication PB3 for more information).
- ◆ An explanation of the activities, projects or services identified in the accompanying accounts.

## Achievements and performance

**This section of the report must contain details of the main achievements of the sports association.** It needs to identify the difference the charity's work has made to the circumstances of its beneficiaries (RAF personnel), and if you are able to illustrate any wider benefits to society as a whole, e.g. *esprit de corps*.

It is also the perfect section to celebrate some of the success and impact the charity has had over the year. This is the chance to impress potential sponsors with the progress your association has made over the previous twelve months.

## Financial review

The Trustees of your sports association are responsible for producing accounts following the legal requirements of SORP (Statement of Recommended Practice) FRS 102. The RAF Sports Federation will support you in the completion of your financial accounts and is there to answer any queries.

### **Information which must be included in this section are as follows:**

- ◆ A review of the sports association's financial position at the end of the reporting period, for most associations this is 31st December.
- ◆ You must explain any policy for holding reserves, stating the amounts held and why. If reserves are not held you must disclose this fact and the reasons behind this decision.
- ◆ At the date of approving the accounts and completion of this report, if there are uncertainties about the association's ability to continue (going concern) these must be explained.
- ◆ It must identify any fund materially in deficit, explain why, and the steps being taken to eliminate the deficit.

## Structure, governance and management

This section provides the reader with information relating to how the sports association, is run and managed, and includes some technical understanding.

### **The report must include:**

- ◆ The nature of the governing document (e.g. Memorandum & Articles of Association).
- ◆ How the sports association is constituted, which for you will be either an Excepted Charity, Charitable Incorporated Organisation (CIO), or a Company Limited by Guarantee.
- ◆ The methods used to recruit and appoint new sports association Trustees.



## Reference and administration details

This section relates to the factual details of the charity itself. These should be easy to hand and simple to report on. **This section requires you to provide:**

- ◆ The registered name of the charity organisation.
- ◆ Any other name the charity operates with if different.
- ◆ The registration number for the charity and jurisdictions it is registered and any company registration number related to the charity's operations.
- ◆ Names of all Trustees who were in post during the reporting period and those in post when the report was approved by the sport association's board.

## Detailing public benefit

Sports associations must publish a public benefit statement confirming whether the charity Trustees have complied with their 'duty to have due regard to the guidance on public benefit when exercising their duties'. This guide is published by the Charity Commission and can be reviewed via this [website](#).

**Information included in this declaration must include:**

- ◆ A summary description of the purpose of the charity (its objects).
- ◆ Main activities undertaken by the charity to further its charitable purposes for public benefit.
- ◆ A public benefit statement confirming whether the charity Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.



## What to do if you have content missing?

It is possible that you have some information missing from the Trustees' annual report. If you find gaps in your information, please contact the RAF Sports Federation who will help guide you through the process.

In many cases, the information is usually easy to find. However, it is also the case that in some instances, the annual report highlights some areas of practice that need amending. Again, this is an area the RAF Sports Federation has worked closely on with many sports associations.





## OTHER THINGS YOU SHOULD KNOW AS A TRUSTEE

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Delivering a Trustees' annual report is only one legal responsibility of being a Trustee. As a Trustee of any charity, including those within the RAF, you have legal accountabilities that you need to be aware of and act on.

### Who can be a Trustee?

There are strict criteria for the appointment of Trustees and who can successfully apply. This also applies to sports associations in the RAF, regardless of status.

- ◆ You must be at least 16 years old to be a Trustee of a charitable company or a CIO. You must be at least 18 to be a Trustee of any other type of charity.
- ◆ You must not be disqualified under the Charities Act, this includes disqualification as a company director, an unspent conviction involving deception or dishonesty, an undischarged bankrupt and prior removal as a Trustee due to mismanagement.
- ◆ You must have been appointed properly, in relation to the sports associations guidelines or legal rules, which can be found at this [Trustee webpage](#).

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## Becoming a Trustee

Trusteeship can be rewarding for many reasons – from a sense of making a difference to the charitable cause, to new experiences and relationships.

In the sporting context it provides that opportunity to give something back in an area that many are truly passionate about. Being a Trustee gives you the opportunity to have an impact and take responsibility to improve lives and experiences.

The Charity Commission has produced lots of good advice and their publication, *CC3 – The Essential Trustee* is an essential read. Amongst other things, CC3 highlights the responsibilities of a Trustee and what the Charity Commission expects of you in the role.



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AND ADVOCACY

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**For more information** on Trustees' annual reports or any of our services, please do not hesitate to contact the RAF Sports Federation.

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