

Charity Insight

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Simon Bladen Partner



Introduction

The start of the year is always a good moment for trustees to take stock. From planning ahead for reporting deadlines to reviewing governance and risk, it's a chance to get on the front foot.

This edition focuses on exactly that: helping trustees feel prepared and informed for the year ahead. In this edition of our newsletter we discuss:

- Charity Accounts and Annual Return Deadlines for 2026: A Trustee's Planning Guide
- Charities Statement of Recommended Practice (SORP): Key Changes for Trustees to be Aware of.
- Cyber Security for Charities: 3 Risks Trustees Should not Ignore in 2026
- Charity Accounts Late Filing: Why it is on the Rise

As always, we hope you enjoy the contents of this newsletter, please do not hesitate to contact us if you have any questions about the articles in this edition.

Simon Bladen
Partner



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Charity Accounts and Annual Return Deadlines for 2026: A Trustee's Planning Guide

As a trustee, you're not expected to know every compliance detail, but you are expected to ask the right questions. That's where a clear plan helps. This brief guide is designed to give you some oversight of the key dates and deadlines that matter in 2026, so you can support your board, stay compliant, and focus on strategy without stress.

This guide draws on the experience of Simon Bladen, Audit Partner at Hawsons, who advises a wide portfolio of charities on reporting, audit readiness, and financial governance.

Whether you're the Chair, Treasurer, or a long-serving trustee keeping a close eye on finances, this article sets out what you need to know about charity accounts, annual return deadlines, SORP 2026, audit thresholds, and HMRC filing dates. You can save it, share it with your Finance Manager or CEO, and refer to it throughout the year.

Introduction to Charity Reporting

Charity reporting is central to good governance and transparency. It's how trustees show accountability to supporters, funders, and regulators. All registered charities in England and Wales must file an annual return with the Charity Commission, which gathers financial data and governance details to help monitor compliance with charity law.

Why January Is the Right Time to Plan

Many trustees take stock in January. It's often a quieter window when you can get ahead of the year's reporting, planning, and governance workload.

Creating a trustee planning calendar now helps you:

- Stay on top of charity accounts and annual return deadlines
- Plan ahead for trustee sign-off and approval windows
- Support your finance team with a shared sense of timing
- Protect your charity's reputation and compliance status

It's also a great time to revisit your charity budgeting checklist, especially if you've just set a new financial year or strategy.

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Charity Accounts and Annual Return Deadlines for 2026: A Trustee's Planning Guide (continued)

Charity Budget Planning and Forecasting Checklist

January: Setting the Budget

If your financial year begins in April or January, now is the time to:

- Review financial performance from the previous year
- Check income forecasts and likely costs
- Discuss reserves and how they're being used
- Confirm when the board will approve the budget

Quarterly Forecasting

Agree when you'll reforecast through the year. A good rhythm is:

- April (Q1)
- July (Q2)
- October (Q3)

This helps trustees spot issues early and respond in good time.

Charity Accounts and Audit Planning

Common trustee concern: Do we need an audit, or will an independent examination do?

Every charity must prepare a set of accounts and a trustees' annual report. The type depends on your income and structure:

- **Under £25,000:** Minimal reporting obligations
- **£25,000 to £1 million:** Independent examination usually sufficient (but gross asset test may apply)
- **Over £1 million:** Full audit usually required

From 30 September 2026, audit thresholds increase:

Income threshold rises from £1 million to £1.5 million
gross asset threshold rises from £3.26 million to £5 million.

These changes give more flexibility, but it's worth checking now whether you'll cross any thresholds in the next financial year.

When to File Charity Accounts

- **Deadline:** 10 months after your financial year-end
- Example: Year-end 31 March 2026 = deadline 31 January 2027

Trustees should aim to approve accounts well ahead of this, to avoid last-minute pressure.

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Charity Accounts and Annual Return Deadlines for 2026: A Trustee's Planning Guide (continued)

Charity Auditing Thresholds at a Glance

File charity accounts: 10 months after year-end
Submit annual return: Same as accounts
VAT returns: 1 month + 7 days after quarter
P60s: 31 May 2026
P11D / P11D(b): 6 July 2026

SORP 2026: What Trustees Need to Know

Common trustee question: What's changing with SORP 2026?

From 1 January 2026, the updated Charity SORP applies. It introduces:

- A tiered approach based on charity size
- More focus on reserves, risk, and future plans
- Clearer expectations for your narrative trustee report

"SORP 2026 isn't about extra red tape, it's about clearer reporting for trustees and stakeholders. The key is to start conversations early, particularly around reserves and risk. It's not just about compliance, it's about telling your story well."

— **Simon Bladen, Audit Partner at Hawsons**

Trustees should check now whether they'll need to make changes to internal reporting or board approval

processes to meet the new standard. See the later article in our newsletter for more details.

Annual Report Requirements

Your charity's annual report is the story of your year. It explains your purpose, impact, and finances in one accessible document.

It must include:

- A summary of your aims and activities
- What your charity achieved
- How income was used and managed
- Commentary on reserves, risks, and plans

If your income exceeds £25,000, you'll need an independent examiner's report as well. The full annual report must be submitted to the Charity Commission within 10 months of your year-end.

A strong annual report is more than a requirement, it's a trust-building tool.

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Charity Accounts and Annual Return Deadlines for 2026: A Trustee's Planning Guide (continued)

Tax, Payroll and HMRC Deadlines for Charities

Trustee tip: Unsure how to stay on top of Gift Aid claims? Set a quarterly or half-yearly schedule and assign clear ownership.

Even if you're not paying Corporation Tax, charities still have regular HMRC duties. These include:

Corporation Tax (if applicable)

- Return due 12 months after year-end
- Tax payment due 9 months and 1 day after year-end

Only applies to taxable trading activity or subsidiaries.

VAT Return Deadlines

- If your charity is VAT-registered, returns are due 1 month and 7 days after each quarter ends

Claiming Gift Aid

- No fixed deadline, but most charities claim quarterly or bi-annually

Internal Charity Reporting Checklist and Risk Review

Trustees must be able to read and question financial

updates with confidence. It is important to build a regular internal reporting rhythm:

- Management accounts (monthly or quarterly)
- Forecasts and variance reports
- Reserves monitoring
- Commentary from your finance lead

Once a year, revisit your:

- Risk register
- Reserves policy
- Fraud controls and whistleblowing procedures

This doesn't have to be onerous. A simple governance calendar helps trustees feel in control.

Independent Examination Requirements

If your income is over £25,000 and under audit thresholds, you'll usually need an independent examination. This review of your accounts by someone with appropriate experience ensures your financial statements are accurate and credible.

Trustees must appoint the examiner and approve the report. It forms part of your annual submission.

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Charity Accounts and Annual Return Deadlines for 2026: A Trustee's Planning Guide (continued)

Company Filings (If Applicable)

Charities that are also registered companies must file with Companies House as well as the Charity Commission.

You must submit:

- Full annual accounts
- Confirmation statement (usually due within 14 days of your incorporation anniversary)

Deadlines:

- Accounts: 9 months after your financial year-end
- Confirmation statement: Annually, by your due date

These filings matter. Delays can lead to penalties and reputational risk.

Avoiding Late Filing

Late filing can:

- Lead to financial penalties
- Trigger public warnings from the Charity Commission
- Undermine trust with donors, regulators and the public

To stay on track:

- Build a trustee planning calendar
- Confirm who owns each submission
- Give the board visibility well in advance
- Ask for external advice if needed

Save or Share This Planning Calendar

Use this article to build a simple planning tool. You could:

- Add key dates to your board meeting planner
- Share it with your CEO or finance team
- Turn it into a checklist for your annual strategy session



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Charities Statement of Recommended Practice (SORP): Key Changes for Trustees to be Aware of.

From 1 January 2026, the new Charities Statement of Recommended Practice (SORP), aligned with FRS 102, officially came into effect. This marked a significant change in how UK charities report their finances, with changes around income recognition, lease accounting, and narrative reporting.

If you're a trustee, this isn't just something for the finance team to handle. The updated SORP affects how your charity presents its work, manages risk, and demonstrates accountability. It matters to funders, the public, and your fellow board members.

What are the main changes in the Charities SORP 2026?

Some of the key changes that have come into effect in the charities SORP 2026 include:

- A new three-tier reporting structure based on charity income
- Updated income recognition using a five-step model
- Lease liabilities will in many cases now appear on the balance sheet
- More detailed requirements for Trustees' Annual Reports

- New guidance on social investments and provisions
- Changes to fund accounting, heritage assets and audit thresholds

Which reporting tier does your charity fall under?

SORP 2026 introduced a new tiered system to make reporting more proportionate:

- Tier 1: Gross income up to £500,000
- Tier 2: £500,000 to £15 million
- Tier 3: Income over £15 million

The higher your tier, the more detail is required in your financial and narrative reporting. You should also consider the income requirements each year as there is no exemption akin to the companies act thresholds where criteria are assessed for two out of three thresholds over consecutive years.

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Charities Statement of Recommended Practice (SORP): Key Changes for Trustees to be Aware of. (continued)

How will income recognition change under the new charity SORP?

The 2026 charities SORP introduces a five-step approach for recognising income, aligning more closely with international standards.

That means some income may need to be deferred until services are delivered, while other income could potentially be recognised earlier than before. Performance obligations delivery is key under the new SORP.

As a trustee, it's important to understand how this could impact your charity's reported results, especially if you are in regular receipt of performance-related contracts or grants.

How does the charities SORP 2026 change lease accounting for charities?

Most leases will need to be recorded as both assets and liabilities in your accounts. This applies to rented properties, vehicles, and equipment.

For most charities, operating leases were previously shown as annual expenses through the Statement of

Financial Activities (SOFA). Bringing them onto the balance sheet could impact KPI's so the technical considerations should be considered. There are some exemptions available for very short time and low value leases.

What should go into the Trustees' Annual Report under the new SORP?

SORP 2026 places much more focus on the narrative aspects of the report. Trustees are expected to detail:

- The charity's impact and achievements
- How volunteers support the work
- Key risks and forward-looking plans
- How reserves are managed
- Environmental and sustainability activity (especially for larger charities)

This is your opportunity to clearly show how the charity is run and what it is achieving. For larger charities (Tiers 2 and 3), the requirements become more structured, but all charities will benefit from improving their reporting.

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Charities Statement of Recommended Practice (SORP): Key Changes for Trustees to be Aware of. (continued)

When do charities need to record provisions under the new SORP?

The 2026 charities SORP introduces clearer guidance on provisions and contingent liabilities. If your charity makes multi-year grant pledges or has obligations at the end of a lease, these may now need to be recorded earlier than previously.

This could bring forward liabilities that were previously disclosed only in the notes rather than the balance sheet.

What are the rules around social investments?

If your charity holds social investments such as concessionary loans or programme-related investments, SORP 2026 provides more specific guidance.

It's important to check how these investments are currently recorded and whether changes to valuation or classification will impact your charity.

Other updates

Alongside the headline changes, there are a few other

points trustees should be aware of:

- **Fund accounting:** Clearer guidance on restricted, designated, and endowment funds
- **Cash flow statements:** These are now only required for Tier 3 charities and those that do not qualify as a 'small entity' under company law.
- **Heritage assets:** Updated rules for donated heritage assets, particularly for museums or religious organisations
- **Audit and independent examination thresholds:** Some thresholds will be changing with the new ones intended to come into force on or after 1st October 2026. See new audit thresholds [here](#).

Why this matters for trustees

These updates are not just about getting the numbers right. They're about improving clarity, building public trust, and strengthening governance. Trustees, have a key role to play in making sure the charity is prepared well in advance of its first reporting period under the new SORP.

Start by reviewing your reporting tier, understanding the impact of the lease and income changes, and check that your Trustees' Report still tells the full story.

If you'd like support reviewing what this means for your charity, we're always happy to help.



Check out these pictures from our recent events and employee achievements!

Here are some of our highlights from the past couple of months at Hawsons which include events and employee achievements.

Northampton office celebrates 40 Years

We excited to announce that our Northampton office is celebrating their 40 Year milestone in 2026.

David Owens, Managing Partner in Northampton comments: "As Northampton continues to evolve, so do we. Our team is growing, our clients are ambitious, and we're proud to remain a pillar of this local business community. Our success has always been built on people – our team, our clients, and the local community we're part of. That's what drives us, and that's what will keep driving us for the next 40 years."

New Year's Drinks

Our Sheffield office hosted their New Year's Drinks on 8th January at The Mowbray. We would like to thank all of the clients and contacts that attended.

Jeanette Roney promoted to Business Services Manager

As of January 2026, Jeanette has been promoted to Business Services Manager.

Thank you for being an integral part of the Hawsons Doncaster team, wishing you every success as you step into your new role.

Doncaster office celebrates 35 Years

In November, we welcomed clients and colleagues to our newly refurbished Doncaster office to celebrate a special milestone: 35 years of Hawsons in Doncaster.

It was great to catchup with so many familiar faces and to reflect on how far we have come.

Core Values Award winners

In January, Ashley Lewis, Charlotte Owen and Mille Robinson won our Core Values Awards, recognising their commitment to the firm.



Cyber Security for Charities: 3 Risks Trustees Should not Ignore in 2026

As a trustee, you're used to keeping a close eye on governance, finance, and compliance. But how often does cyber security come up in board discussions? Charities are becoming increasingly vulnerable to cyber-attacks. Not because they are high-value targets, but because many often rely on under-protected systems, hold sensitive data and depend on external providers. If something goes wrong the consequences can be serious, both financially and reputationally. Here are three cyber risks worth raising at your next board meeting.

1. Supply Chain Risks: Your Partners Could Be the Weak Point

Many charities use third-party platforms or outsourced IT services to manage fundraising, communications, or even day-to-day operations. If one of those suppliers is compromised, your charity could be exposed and, in some cases, held responsible.

What should trustees do?

- Perform risk based cyber security due diligence on suppliers
- Review contracts and data-sharing agreements regularly
- Make sure supplier risk is included in the board's risk register

2. Email Phishing is Becoming more Sophisticated and Harder to Spot

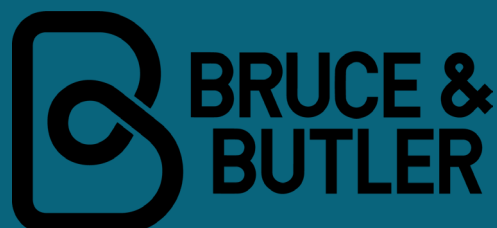
Attackers are now using artificial intelligence to create highly convincing emails that imitate the tone, style, and even language of real individuals. These emails often appear to come from senior leadership teams or a fellow trustee. A single message could lead to a payment being made or personal data being leaked.

We've seen examples where charities have lost thousands after responding to what seemed like a genuine request.

What should trustees do?

- Ensure Multi Factor Authentication (MFA) is enabled, where available
- Encourage staff and volunteers to question anything unusual and make direct contact for confirmation
- Offer short, practical cyber awareness training internally across the organisation

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Cyber Security for Charities: 3 Risks Trustees Should not Ignore in 2026 (continued)

3. Cyber Essentials for Charities: A Simple but Effective Step

Cyber Essentials is a government-backed scheme that protects against the most common cyber threats. It also includes cyber insurance and helps demonstrate good governance to regulators and supporters.

It is not expensive or overly technical, and it is one of the most practical steps your board can take to improve security and resilience.

What should trustees do?

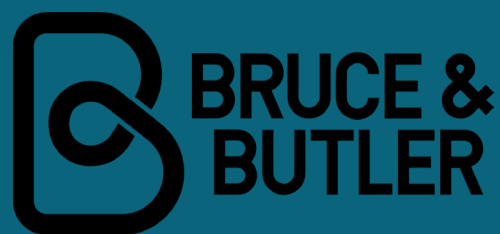
- Ask your IT provider or CEO about Cyber Essentials certification
- Add cyber security to your next board agenda if it is not already in place
- Treat it as part of your wider risk and compliance framework

Find out more about cyber essentials on our website

Need a Second Opinion or Some Straightforward Advice?

Cyber security is no longer just an IT issue. It is a governance issue, a risk issue, and for many charities, a reputational issue too. As a trustee, you are not expected to be an expert, but you do need to make sure the right questions are being asked.

At Bruce & Butler, we support charities across the UK with clear, practical cyber advice. No jargon. No scare tactics. Just what you need to protect your organisation and focus on your mission.



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Charity Accounts Late Filing: Why it is on the Rise

A Wake-Up Call for Charity Boards

Research has found that late charity account filings rose by 51% in 2023/24. This is a concerning increase, but the context matters. In many cases, late filing is not simply a sign of weak governance. It reflects the growing pressure many charities are under, including reduced capacity, tighter budgets, and increasingly complex compliance requirements.

Smaller charities have been hit hardest. Detailed reporting rules stretch internal resources and excessive reliance on volunteers have all contributed to delays.

The new Charities Statement of Recommended Practice (SORP) came into effect on 1 January 2026 and applies to charities with financial year ends beginning on or after that date. It introduces a tiered reporting framework designed to make reporting requirements more proportionate to the charities size.

This is a positive step and should help reduce the risk of late filing, particularly for smaller charities where reporting should be less burdensome.

Why are More Charities Filing Accounts Late?

There is no single reason behind the rise in charity accounts being filed late. Instead, it appears to be the

result of several pressures building at the same time.

Charities are operating in a more challenging financial environment. Government funding has reduced, donations are harder to secure and inflation continues to increase costs. This places additional strain on finance and governance functions.

Many charities are:

- Operating with little or no dedicated finance staff
- Managing increased workloads with fewer trustees
- Relying heavily on one or two key individuals

These challenges are often invisible to donors and the public, but trustees and senior teams feel them daily. When priorities compete, filing deadlines can be missed.

Trustees take their responsibilities seriously. But when systems and support are stretched, filing charity accounts late becomes more likely.

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Charity Accounts Late Filing: Why it is on the Rise (Continued)

Why Late Charity Accounts Filing puts your Charity at Risk

Even when delays are unavoidable, filing charity accounts late carries real risk.

Once a deadline is missed, the information becomes part of your charity's public record. Donors, funders and grant making bodies often review filing history before committing support. A pattern of late charity accounts can raise concerns, even where the charity's work and impact remain strong.

The Charity Commission also monitors filing performance. Repeated late submissions may lead to increased regulatory scrutiny. In more serious cases, the Commission has the power to intervene, including removing trustees or taking steps to close a charity.

These situations are rare, but they underline why timely filing matters. Good intentions must be backed by clear processes and regular oversight.

Small Charities and the Challenge of Charity Accounting

For smaller charities, the burden of financial compliance can feel disproportionate.

Understanding the SORP, audit thresholds, reserves policies and Charity Commission filing requirements is not always straightforward. Many boards lack in house finance expertise and rely on external advisers or volunteer treasurers.

Trustee turnover, part time roles and limited continuity increase the risk of filing charity accounts late. For years, the sector has highlighted that a single reporting framework cannot be a one size fits all for charities.

The updated Charities SORP directly addresses this concern.

How the New Charities SORP Aims to Reduce Late Filing

The new Charities SORP, introduced a tiered reporting system based on a charity's size and complexity.

This approach aims to:

- Reduce unnecessary technical reporting for smaller charities
- Provide clearer guidance for trustees
- Maintain transparency and accountability

For many organisations, this should make compliance more manageable and reduce the likelihood of filing charity accounts late.

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Charity Accounts Late Filing: Why it is on the Rise (Continued)

What Trustees can do now to Avoid Filing Charity Accounts Late

You do not need to be a finance or governance expert to meet your trustee duties. But you do need clear information, good planning and the right support.

Practical steps trustees can take include:

- **Know your charity accounts filing deadlines**
Use our 2026 Charity Accounts and Annual Reporting Guide to stay organised and avoid last minute pressure.
- **Discuss finances regularly at board meetings**
Charity accounts should not only be reviewed at year end.
- **Review board skills and knowledge**
Ensure someone understands charity accounting and compliance. If not, seek training or external support and challenge.
- **Encourage open discussion**
Trustees should feel confident asking questions when financial information is unclear.
- **Speak to your accountant early**
Early conversations reduce the risk of delays and unexpected issues.

A Final Thought on Filing Charity Accounts

The increase in late filing does not mean trustees are necessarily failing in their role. It reflects how demanding charity governance has become.

The new Charities SORP is a step in the right direction, but it is not a complete solution. Trustees still need strong systems and trusted advisers to support them.

Get in touch



Our charity experts

At Hawsons our accountants recognise that not-for-profit organisations have very different requirements from other businesses and are currently exposed to a challenging economic climate.

Our dedicated team of charity accountants fully understands the complex, ever-changing regulatory requirements of the charity and not-for-profit sector. Irrespective of your size we wish to support you to maximise the benefits you could achieve through our specialist professional advice.

Charities & not-for-profit organisations are currently facing extensive changes in their regulatory and legal framework. Given the additional pressures on fundraising, complex tax regimes, internal risk exposure, and stakeholder demands, it has never been more important to obtain specialist professional advice.



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