

Making the most of your annual report

Your agency's annual report doesn't just have to be a dry legal document. It's a versatile communications tool that can effectively serve as a one-stop-shop for people who want or need to know about what your agency does and the impact it makes.

This guide is an introduction to the communications opportunities that producing an annual report presents. It includes suggestions for how to make the most of them, as well as noting some of the legal obligations that should not be forgotten.

Definitions

There is often some confusion in terminology between an annual report and the more formal trustees' report that must be filed with the Charity Commission as part of a charity's financial statements.

The trustees' report must contain specific information and disclosures to comply with the Statement of Recommended Practice (SORP). The trustees' report is designed to ensure consistency between charities so that a reasonably impartial statement of affairs is given. It is a legal requirement that you comply with the SORP guidelines.

The annual report (sometimes called 'annual review') may be a broader document. It is not legally required but can be used by your agency for a range of communications. The annual report/ review provides more flexibility to inform service users, funders, partner organisations and other interested parties of the work achieved by your agency during the year, and the impact you have had on clients' lives as well as the wider community. It is an opportunity to thank those who have participated in making this happen, as well as to include charts, photographs, stories and opinions that the statutory trustees' report does not allow for.

Producing a single combined document

Often the annual report/ review and the trustees' report are combined into a single document, and this is perfectly legitimate, provided that it contains the information required by the SORP at the same time as conveying the desired message.

If a single document is to be produced it must contain the full accounts in order to serve for statutory filing. If only summary accounts information is contained, the full audited accounts will have to be filed as well.

The advantage of preparing a single document is that it will save time and expense. However, the disadvantage is that it will have to contain a considerable amount of facts and figures, which may not be of interest to your target audiences.

Who is your annual report for?

To use your annual report for maximum effect, think about what you want to achieve and who your target audiences are. They will probably include local authority councillors and officers, local MPs, funders and potential funders in the private sector, local press, your clients, potential volunteers and schools or other groups who invite you to give talks about your agency.

Your target audiences are likely to be fairly diverse but, with careful thought, you should be able to include something for everyone. Thinking ahead about the occasions/ scenarios when you may need to inform people about your work will help you plan a versatile report that can be used throughout the year for different purposes.

Choosing an angle

Space in your annual report is limited and it may have more impact if it describes one issue fully rather than touching on many.

Choosing a theme also gives you a focus and allows you to use the report as a campaigning tool throughout the year. You may find you want to build into your annual report a summary strategy for the coming year around an area of activity that you have identified as important and topical.

If your agency has been doing work around disability benefits, for example, you could make this your theme, giving your report an appropriate title and highlighting the service delivery and social policy issues, the implementation of your equal opportunities policy, the launch of a recruitment drive for disabled volunteers or a fundraising campaign to make your premises more accessible.

Alternatively you could choose a theme that is a current local authority concern to demonstrate how your agency contributes to the authority's objectives.

Budget

Something else to consider early on is how much you can afford to spend on your annual report. This will effect everything else, from the number of pages (you may need to compromise on content and length) to whether you design it yourself in-house or use a design agency, colour printing versus black and white, paper quality and size of print run.

Structure and content

In addition to ensuring that your report meets all legal and accounting standard requirements, it should be engaging and interesting to the reader. It should not assume previous knowledge of what your agency does, which new councillors or potential volunteer/ staff recruits would not have, for example.

A well-balanced annual report might be structured something like this:

- Your aims and principles.
- Message of support from your Patron (if you have one).
- Description of the service(s) you offer.
- Key achievements/ activities undertaken during the year – if you have encountered difficulties use it as an example of how you can rise to a challenge.
- Contribution to individuals and the local community – through advice and social policy work.
- Chair and/ or manager's report.
- Client/ enquiry statistics – explain any trends and compare with national data where appropriate.
- Other key statistics and facts about your agency and wider network.
- Agency income and expenditure.
- Client case studies – use these throughout the report to show how your advice and social policy campaigns have helped real people.
- Volunteer case studies – highlight the importance of volunteers and emphasise the training that is provided for free.
- Hopes and plans for the future – what you could achieve given extra funding.
- Thanks to agency workers, volunteers and trustees.
- Thanks to funders/ funder listing.
- Agency contact details and registered charity number.

You could also consider including:

- Income raised for clients (from debts/ income gain and benefit take-up).
- Fundraising events you have organised.
- Launch of new services to increase access.
- Building improvements.
- Social policy campaign successes.
- A royal or other visit.
- Media coverage you obtained.
- New partnerships.

Making statistics count

Use statistics to illustrate the crucial role your agency plays in the local community. Alert the reader to trends in advice needs, making your case to funders as to why service provision must be maintained and developed.

You will need to look at the statistics to decide what is interesting. For example, does the client data change each month? If so, the data could be presented in a bar chart, with accompanying text explaining the peaks and troughs in the figures such as post-Christmas problems or introduction of new legislation.

Maybe there has been a significant increase in client numbers compared to the previous quarter or previous year, for example, or in a particular subject area. This could be both the main story, which should be woven throughout the report, and the story for a press release accompanying the annual report.

In addition to the core statistical data, you could consider presenting any of the following data, if you have collected it during the year:

- Client profile.
- Geographical data: statistics on where your clients live to demonstrate how you serve the whole community.
- Amount of debt owed, weekly benefit raised or lump sums awarded, taking care to clarify the reliability of the data.
- Staffing data: paid hours and voluntary hours. The amount of training received by a new volunteer and an experienced adviser is an impressive indicator of the contribution your agency makes to the training needs of the community.
- Data on the range of places where advice is given: the percentage of work undertaken in the agency, home visits, outreach venues etc.
- Data on how advice is given: percentage of work in person, by letter and telephone and via the internet.
- Data on how clients are referred to your agency.

Production of your annual report

For comprehensive guidance on writing, editing and taking publications through the design and print process, see other titles in this series 'Professional publications: introducing the design and print production process' and 'Writing 'copy' that gets results'.

Distribution

When your annual report arrives back from the printers, send it out to funders, councillors, MPs, trustee board members, partner organisations, journalists and the key individuals and organisations on your mailing list. Include a covering letter that outlines the contents of the report and offers a couple of strong reasons to read it. Do this as soon as possible while the content is still fresh and interesting.

There is a legal requirement under the Copyright Act to deposit copies of your trustees' report with the British Library and the five copyright libraries of Scotland, Wales, Oxford, Cambridge and Dublin.

To do this:

- Send one copy of your annual report to: British Library, Boston Spa, Wetherby, West Yorkshire, LS23 7BY.
- Send five copies to: Agent for copyright libraries, 100 Euston Street, London, NW1 2HQ.

You should also publish your annual report/ trustees' report on your website if you have one. If you publish it as a pdf document, and the file is large, it may take some time to download. Alternatively, you can publish the content to your website as html pages; it is more time consuming to publish it this way but the content can be viewed more easily.

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