



CHARITY COMMISSION  
FOR ENGLAND AND WALES

OSCR  
Scottish Charity Regulator

The Charity  
Commission  
for Northern Ireland

Mrs Jenny Carter  
Director, Accounting and Reporting Policy  
Financial Reporting Council  
8<sup>th</sup> Floor  
125 London Wall  
London  
EC2Y 5AS

Charity Commission  
102 Petty France  
London  
SW1H 9PJ

15 November 2021

Dear Jenny,

**Second submission in regard to proposed amendments to Financial Reporting Standard FRS 102 and the future of charity reporting and accounting**

*Overview*

Thank you for agreeing to an extension to allow us to gather views from our advisory Charities SORP Committee. Our second and final submission for the periodic review of FRS 102 is in respect of donated goods and services.

The Charity Commission for England and Wales, the Charity Commission for Northern Ireland and the Office of the Scottish Charity Regulator act together as the joint SORP-making body for charities in the UK and are advised by the Charities SORP Committee.

The annex to our letter sets out the recommendations, accompanied by the evidence from the 'reflection and problem solving stage' of our new SORP development process, for changes to the text of FRS102. We recognise that the FRS102 accounting standard represented a major step in terms of aligning for-profit accounting in the UK and Ireland with IFRS whilst accommodating company law requirements and existing traditions in reporting. The Charities SORP provides an application of this framework for charities. However, in implementing this framework, it is now very clear, in our view, that in respect of donated goods and services the public benefit entity specific guidance might helpfully be revised to reflect the motive and application in regard to certain donated items.

Once the combined 'reflection and problem-solving' stage is concluded we will begin the process of drafting the new SORP in readiness for the new FRS102 accounting standard. Should you have any enquiry do contact Nigel Davies in the first instance.

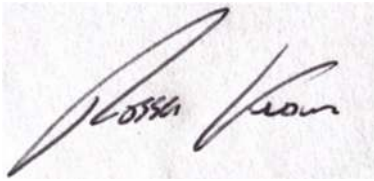
Yours sincerely,



Laura Anderson  
Joint Chair of Charities SORP Committee  
Senior Manager – Higher Risk Cases & Quality  
Assurance  
Office of the Scottish Charity Regulator



Nigel Davies  
Joint Chair of Charities SORP Committee  
Assistant Director of Accountancy Services  
Charity Commission for England and Wales



Rossa Keown  
Joint Chair of Charities SORP Committee  
Head of Compliance & Enquiries  
The Charity Commission for Northern Ireland