Table of Topics Allocated over Lists of Areas

| **Topic Number** | **Topic Including Brief Description** |
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| 1 | **Summary financial information/key facts page**   * Key financial information/key facts page including the use of infographics. * Summary financial information. * Summary financial statements? * This should not be a mandatory requirement. * Accessible information should be provided. |
| 2 | **Impact reporting (the difference a charity makes)**   * More focus on impact reporting – should this be enhanced to demonstrate the difference the charity is making? * Should this be expanded to all charities? * More guidance needed but a balance as to whether this would be in the SORP or separate advice. |
| 3 | **Sustainability reporting**   * In response to the need for transparency. * Different models of sustainability reporting- identifying whether to adapt an existing approach or to create our own. * Covers reporting on climate change, diversity and gender pay gaps- identifying the right content. * Future proofing the recommendations of the SORP. |
| 4 | **Reserves**   * Greater clarity (more guidance) about how reserves are defined and estimated, particularly free reserves. This guidance should make these issues easier to understand. * Linkage to reserve policy and performance against the policy. * Linkages to financial sustainability and going concern also needs to be understood by users and other stakeholders? * Reserves note explicitly in the accounts and not the trustees’ annual report. * More or better narrative to support the reserves. |
| 5 | **Support costs**   * A need for consistency in estimation to improve comparability. * The amount of choice appears to be affecting this. * Education issues around understanding of overheads which are not allocated – these are seen to be ‘bad’. * Distinction between charitable and non-charitable activity is seen as problematic. * Cross reference to expenditure classification (topic 6) |
| 6 | **Expenditure classification**   * Suggestions around removing the requirement for the allocation of support service costs. * How best to classify expenditure? * Use of natural classifications of expenditure for smaller charities (see tiered reporting topic). |
| 7 | **Activity reporting (describing how money was spent)**   * General lack of understanding by preparers of the accounts. * The link between the cost of the activity and the income is often not obvious. * Links also to topic 12 (presentation of the SOFA) and the links of the costs to related income where appropriate. |
| 8 | **Accrual basis of accounting for grants**   * Permit charities to use the accrual accounting basis of accounting for some or all grants. * Need to consider performance obligations to be able to recognise on an accrual basis – these are not always easy to identify. * There are perceptions that this would distort performance particularly for smaller charities. * Should a flexible approach be used? |
| 9 | **Donated goods and services**   * Need for inclusion in the SOFA was questioned. * How does it align with FRS102? * Should this be included in a note instead? |
| 10 | **Income recognition**   * Someissues of interpretation on classification (though this appeared not to be a major issue). This is more of an issue on the smaller end of larger charities. * Consideration of the recognition in the accounts of multi-annual funding. |
| 11 | **Legacies**   * More guidance/clarity on accounting treatment. * Issues around the need to make judgements. * Note that current guidance is based on FRS 102. * What might need to be changed? |
| 12 | **Presentation of the SOFA**   * Link expenditure to income. * Use of an upside-down SOFA. * Link to activity reporting (topic 4). |
| 13 | **Notes on financial information**   * Guidance on how to reduce the length and complexity of financial information presented – (note that this will be linked to the topic on materiality (topic 15). * Those disclosures that are required by the SORP only should be reviewed to ensure they are still necessary. * Reduce scope to apply the SORP with the use of boilerplate disclosures. * Reconsider the inclusion of complex pension information. (Changes required to FRS 102) * Can clutter be reduced using hyperlinks, signposting and cross referencing? |
| 14 | **Funds note**   * Consideration of making the funds note more prominent (though it is noted that the order of notes is determined by standards and/ or legislation). * Consideration of extra guidance on this note as this is one some charities can find it difficult to get right. |
| 15 | **Materiality**   * Guidance on materiality would be helpful (this is especially for larger charities to avoid including too much detail which might obscure the key messages of the accounts). |