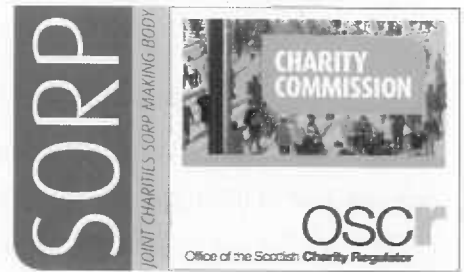


Mrs Jenny Carter
Director of UK Accounting Standards
Financial Reporting Council
8th Floor
125 London Wall
London
EC2Y 5AS



2nd Floor, One Drummond Gate
London, SW1V 2QQ

t: 0300 0652002

Date: 23 November 2015

Dear Jenny,

Charities SORP Annual Review 2015

The Charity Commission and the Office of the Scottish Charity Regulator act together as the joint SORP-making body for UK charities and are advised by the Charities SORP Committee. Recruitment to the Committee was undertaken by way of open advert and recruitment in 2014 and members were recruited from all the four charity law jurisdictions in the UK and Ireland. The Committee is well balanced, being composed of six auditors/independent examiners, three preparers/practitioners, one charity finance director, three representatives from sector bodies, four funders/commentators/academics, and observer members from the Charity Commission for Northern Ireland and the Charities Regulatory Authority in the Republic of Ireland. A list of members is attached as annex to this letter.

The first meeting of the new Committee was in December 2014 and the initial business of the SORP Committee has been attending to the consequential changes to the new SORPs published in July 2014 resulting from changes made to UK-Irish GAAP. We gratefully acknowledge the assistance of Mei Ashelford and yourself in assisting us, and our Secretariat, provided by CIPFA, in making these changes. Close liaison with the FRC is gratefully valued and assists the SORP-making body and SORP Committee in anticipating changes to UK-Irish GAAP and identifying matters particular to accounting for public benefit entities.

Although issued in July 2014, the new SORPs only came into effect for financial years beginning on or after 1 January 2015. Assuming a typical 12 month reporting period with charities having 9 or 10 months to file their trustees' annual report and accounts, we will not be receiving filed accounts in any number until autumn 2016. Therefore the SORP-making body deferred detailed consideration of implementation issues and the checking of the extent to which the new SORPs are followed until 2016.

In accordance with the FRC's *Policy and Code of Practice on SORPs*, we have kept the SORPs under review with respect to compliance with UK-Irish GAAP. We conducted a consultation on the consequential changes to GAAP from July to September 2015. Subsequently we have prepared an Update Bulletin for consideration by the FRC to accommodate changes mandatory for reporting periods beginning on or after 1 January 2016.

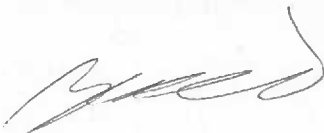
To address implementation issues and developments in the sector that require consideration, the SORP-making body intends to undertake a SORP research exercise in 2016. The purpose of the exercise is to:

- Identify implementation issues that should be addressed in the short-term by an Information Sheet;
- Identify changes that can be usefully made to address emerging issues in charity sector reporting and accounting in a future SORP;
- Changes and simplifications that will improve future SORPs;
- Recognise disclosures or reporting requirements in FRS 102 and/or the SORP which are not useful to the readers of charity accounts and that should be dropped.

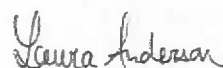
The SORP Committee has been actively considering background developments and has been consulted on the form and content of this exercise, the arrangements for which will be settled in early 2016. It is anticipated that it will take the form of a consultation supported by articles and partner-hosted events across the UK and Ireland. This exercise will provide continued assurance of the usefulness and desirability of the SORP.

The SORP-making body is committed to transparency and openness in our work and the agenda, minutes and selected papers are made publicly available via a dedicated website for public view and the site this kept regularly updated: www.charitysorp.org

Yours sincerely,



Nigel Davies
Joint Chair of Charities SORP Committee
Head of Accountancy Services
Charity Commission



Laura Anderson
Joint Chair of Charities SORP Committee
Head of Enforcement
Office of the Scottish Charity Regulator

Charities SORP Committee Membership

Name	Organisation	Job Title	Jurisdiction
Joint Chairs:			
Laura Anderson	Office of the Scottish Charity Regulator	Head of Enforcement	Scotland
Nigel Davies	Charity Commission for England and Wales	Head of Accountancy Services	England & Wales
Sector Bodies:			
Caron Bradshaw	Charity Finance Group	Chief Executive	England & Wales
Simon Ling	National Association of Almshouses	-	England & Wales
Sheila Nordon	ICTR	Executive Director	Republic of Ireland
Funders/Commentators/Academia:			
Mark Hill	Sainsbury Family Charitable Trusts	Financial Controller	England & Wales
Geoff Hunt	Wolfson Foundation	Finance Director	England & Wales
Noël Hyndman	Queen's University, Belfast	Professor	Northern Ireland
Joe Saxton	nfpSynergy	-	England & Wales
Finance Director:			
Pat Dennigam	Focus Ireland	Acting Director of Finance & Administration	Republic of Ireland
Preparer/practitioner:			
Richard Bray	Cancer Research UK	Finance, Regulatory & Taxes Manager	England & Wales
Tom Connaughton	The Rehab Group	Group Internal Auditor	Republic of Ireland
Darren Spivey	Royal National Lifeboat Institution	Head of Financial Support & Development	England & Wales
Auditor/independent examiner:			
Sarah Anderson	Deloitte LLP	Associate Director	England & Wales
Michael Brougham	-	Independent Examiner	Scotland
Kenneth McDowell	Saffrey Champness	Partner	Scotland
Carol Rudge	Grant Thornton	Partner-Head of Not-for-profit	England & Wales
Jenny Simpson	Wylie + Bissett LLP	Partner	Scotland
Mark Spofforth	Spofforths Chartered Accountants	Partner	England & Wales

Observer Members

Name	Organisation	Job Title	Jurisdiction
Jenny Carter	Financial Reporting Council	Director of UK Accounting Standards	UK-Ireland
Pesh Framjee	Crowe Clark Whitehill LLP	Technical Adviser to the SORP Secretariat/ Partner- Head of Non-profits	England & Wales
Úna Ní Dhubhghaill	Charity Regulatory Authority	Chief Executive	Republic of Ireland
Fiona Muldoon	Charity Commission for Northern Ireland	Monitoring and Compliance Manager	Northern Ireland