

Report

To: Charities SORP Committee

From: Joint chairs of the SORP making body

Date: 1 December 2022

Subject: Narrative reporting in the Charities SORP: Summary financial information; Impact reporting; Sustainability reporting and Reserves

Purpose

The purpose of this report is to outline proposed amendments to the SORP module 1, Trustees' Annual Report and the rationale for the suggested amendments in response to the comments and feedback from the Charities SORP Committee meeting on 5 October 2022.

1 Introduction

- 1.1 At the meeting of the Charities SORP Committee on 5 October 2022, the Committee discussed the draft module for the new Charities SORP on the topic of the Trustees' Annual Report. The SORP Making Body has reflected on the comments made at this meeting as well as comments received from Committee Members and the FRC by email, and has redrafted:
- Module 1; and
 - Glossary
- 1.2 Annex 1 to this report provides a detailed analysis of the proposed amendments to the Charities SORP (i.e. those amendments made since the meeting of the Charities SORP Committee on 5 October 2022) including the rationale for the proposals.
- 1.3 Appendices 1 and 2 include the draft module in full. Appendix 1 includes a 'clean' version of the draft module with the proposed changes. Appendix 2 presents the same module in track changes (All Markup) so that the SORP Committee can identify new or revised content. A version of the Appendix with track changes (Simple Markup) is available on request. Appendix 3 is an extract from the Glossary to the revised SORP.
- All amendments made to draft Module 1 and Glossary have been **highlighted in yellow** within Appendices 1, 2 and 3. This is to allow Committee Members to direct their attention to the updated elements of the draft module.
 - To aid detailed discussion of the draft module, questions for discussion have been included within this report and in Annex 1.
- 1.4 The draft SORP module 1 has been prepared on the basis that there should be three tiers. When conclusion has been reached about the thresholds for each tier, this will need to be included in the revised SORP and Module 1 may need to be revisited at this stage.
- 1.5 It was agreed at the Charities SORP Committee meeting on 5 October 2022, that ESG reporting requirements in the TAR would be considered when discussing 'Sustainability'. References to these

items have been retained in the revised version (highlighted in grey) so that these disclosures can be considered later in the process.

2 Drafting Suggestions relating to the Structure or format of Module 1

- 2.1 Following the meeting of the Charities SORP Committee on 5 October 2022, the Committee was asked to provide feedback on ideas for structuring Module 1, Trustees' Annual Report. We received 5 responses from SORP Committee members regarding the structure of the module. All respondents were happy with the building blocks approach; 3 preferred the option to collate the detail for each tier under the SORP headings and 2 preferred the option of using text boxes to highlight the 'must' requirements. Out of the 3 who preferred the option to collate the detail for each tier under the SORP headings, 2 liked using text boxes for the 'must' requirements.
- 2.2 Taking this feedback in to consideration, the SORP-making body have adopted the approach that collates the requirements for each tier under the headings used in Module 1, that charities may use when preparing the Trustees' Annual Report. It was decided not to use text boxes to highlight the must requirements as this might encourage charities to only report on items in the text boxes and not consider other disclosures they could make in the interest of transparency and that may be of interest to users of the accounts.

3 Regulations

- 3.1 At the meeting of the Charities SORP Committee on 5 October 2022, the Committee discussed whether the requirements in Module 1 of SORP should directly reflect the requirements in Regulation, namely, [The Charities \(Accounts and Reports\) Regulations 2008](#) (E&W regulations); [The Charities \(Accounts and Reports\) Regulations \(Northern Ireland\) 2015](#) (NI Regulations) and [The Charities Accounts \(Scotland\) Regulations 2006](#).
- 3.2 It was pointed out by the FRC Observer and the SORP secretariat that generally a SORP should comply with regulations or alternatively, the SORP could direct the user to look elsewhere for compliance with relevant regulations.
- 3.3 Following discussion, it was generally agreed by the Charities' SORP Committee that the revised SORP should reflect the regulations and that the requirements in tier 2 which were in the regulations as applying to all charities should be moved to tier 1 requirements.
- 3.4 In the E&W regulations, there are some requirements that apply to 'auditable' charities only. The current audit threshold in England and Wales is £1,000,000 but £500,000 in Scotland and Northern Ireland. We are currently using a working assumption that tier 2 charities will fall within a gross income threshold of £500,000 to £10,200,000. If this is adopted, it will mean that some E&W charities (gross income between £500,000 and £1,000,000) within tier 2 will not be auditable. Furthermore, not all requirements in the England and Wales regulations are applicable to other jurisdictions so it is the case that the SORP will be requiring some charities to comply with requirements that are not specified in regulations they are subject to.
- 3.5 The SORP Making Body consider that the information required by SORP outside of the requirements in regulations is necessary to give a complete picture of the charity and help a user of the report to understand how the charity is functioning.
- 3.6 Following the Charities SORP Committee meeting on 5 October 2022, the FRC Observer provided some further feedback that if the intention is that charities may need to look elsewhere other than SORP to satisfy legal requirements, it would be helpful to reference to the applicable legislation or regulator guidance.
- 3.7 For this reason, reference has been made to the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and Charities Act (Northern Ireland) 2008 in paragraph 1.4 of the revised module.

4 Reserves

- 4.1 At the meeting of the Charities SORP Committee on 5 October 2022, the Committee discussed the approach to reserves adopted in the draft. Generally it was felt that the draft glossary definition was too long and that the draft text in Module 1 did not emphasise that the reserves figure of relevance was 'free reserves'.
- 4.2 To address these issues, the definition of reserves has been built into the body of the SORP and the glossary definition has been shortened, see Appendix 3. Reserves is now specifically referred to as 'reserves freely available to spend', see paragraph 1.38.

1. Does the Committee agree the revised text in paragraph 1.38 of the revised module?

- 4.3 There was some discussion by the SORP Committee at the meeting on 5 October 2022 and, following the meeting, in feedback from the FRC observer about the proposed definition in the glossary which stated that “Where a charity has a revaluation reserve or a pension reserve on its balance sheet, these will normally form part of unrestricted funds.”
- 4.4 It was felt that there was an implication that pension and revaluation reserves normally be included within reserves and that it was questionable whether either of these items could be regarded as ‘freely available to spend’. Consequently, this wording has now been removed from the glossary definition.
- 4.5 However, paragraphs 10.92 and 10.93 of the existing SORP, states that both these items “will often form part of unrestricted funds”. Given that ‘unrestricted funds’ is the starting point for the calculation of reserves in paragraph 1.38, it is possible that where a charity has a pension reserve or revaluation reserve these could be included in the calculation.

2. Does the SORP Committee agree the revised definition in the glossary?
3. Can the SORP Committee advise whether pension and revaluation reserves should be specifically excluded from the definition of reserves?

5 Other Drafting Proposals

- 5.1 In paragraph 1.28 of the revised module, an open ended question approach was used rather than stating the requirement. This approach was accepted by the Charities’ SORP Committee but the question was raised about whether the question approach still led to the requirement in the regulation being met. The SORP Making Body have checked and are satisfied that the requirement is being met.
- 5.2 Paragraph 1.44 of the revised module states that the financial review should provide a narrative explanation of:

“where legacies are a material source of income for the charity, how the income is shown in the financial statements, for example, an explanation to help users of the accounts to understand that a legacy may be recognised as income before the resources have been received.”

At the meeting of the Charities’ SORP Committee on 5 October 2022, there was a suggestion that this point could be more general rather than singling out legacies. This was considered by the SORP Making Body and it was decided that this point should remain unchanged. The rationale for this is that by generalising the requirement, it could lead to charities having to provide a narrative explanation for all sources of income which is not the intention and could be overly burdensome. In the current SORP, there is a separate section on legacies within the income module.

- 5.3 Annex 1 itemises all the other proposed drafting proposals for module 1, Trustees’ Annual Report. It is suggested that this Annex is reviewed for the remaining drafting changes and the questions that are raised in the Annex.

The SORP Committee is invited to consider the amendments above and in Annex 1 relating to the other drafting suggestions for Module 1, Trustees’ Annual Report.

4. Are there any further changes the Charities SORP Committee believes are necessary to the module under consideration?

6 Paragraph references

- 4.1 Unless otherwise indicated, paragraph references in the table in Annex 1 refer to the paragraph numbers in the draft SORP module presented as appendices to this report.

Disclaimer

This Charities SORP Committee paper its Annex and Appendix has been developed to assist in the development and drafting of the Charities SORP. Readers should not treat the information contained in this paper as being definitive for the production of the Charities SORP FRS 102 (Third Edition) which will be subject to due process including a detailed consultation.

Annex 1

Rationale for the second set of proposed amendments to the Charities SORP

The table below is intended to be used alongside either Appendix 1 or Appendix 2, which contain relevant draft revised SORP extracts. Appendix 2 includes the draft revised SORP extracts with track changes (All Markup) on. Appendix 1 contains the draft revised text without track changes (for ease of reading).

A version of the Appendix with track changes (Simple Markup) is available on request.

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
Paragraph 1.3	Wording changed from “The report must meet the requirements of law and regulation. It should provide a fair, balanced and understandable review of the charity’s structure, legal purposes, objectives, activities, financial performance and financial position. The report provides an essential link between a charity’s legal purposes and the charity’s aims and objectives and the activities it undertakes to achieve them.” to “The report should provide a fair, balanced and understandable review of the charity’s structure, legal purposes, objectives, activities, financial performance and financial position. The report provides an essential link between a charity’s legal purposes and the charity’s aims and objectives and the activities it undertakes to achieve them.”	To help improve the flow of the guidance following the new wording added in 1.4, below.	This question has been addressed in question 1 on the main paper. Otherwise, there is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.4	New paragraph.	This amendment has been made in response to feedback from the FRC Observer that where the SORP includes requirements in Regulations, the regulations should be specified and where our intent is that charities may need to look elsewhere to check they have satisfied legal requirements, it would be helpful to reference out to the applicable legislation.	This question has been addressed in question 1 on the main paper. Otherwise, there is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.8	Table xx moved up to this paragraph and first sentence moved to paragraph 1.8 (wording unchanged).	The table has been moved to where the disclosure requirements are specified so that the reporting requirements for each tier are clear. The	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
		first sentence has been moved to avoid any confusion for preparers who might think that they need to disclose all 'musts'.	respect to the suggested amendments.
Paragraph 1.8	References in table changed.	References changed due to change in the way module is structured.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.10, previous version	Deleted.	Deleted to avoid duplication as covered by 1.14.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.13	Order of content changed so amendment to reflect this.	To reflect new order of content.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Sections 'Reporting by tier 1 charities' and 'The content of the trustees' annual report'	Sections have been swapped around	To improve flow of module now that new structure has been adopted.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Heading above 1.14	Amended from 'The content of the trustees' annual report required of tier 1 charities' to 'The content of the trustees' annual report'	Following feedback from the members of the Charities' SORP Committee, the SORP content has been restructured such that requirements for each tier are included under the various headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.14	Opening sentence amended from "The SORP's requirements that tier 1 charities must follow also apply to tier 2 and tier 3 charities and are set out in the following headings:" to "The SORP requirements that charities must follow are set out in the following headings:"	Following feedback from the members of the Charities' SORP Committee, the SORP content has been restructured such that requirements for each tier are included under the various headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Under 'Objectives and activities'	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
		tier 3 were listed under the tier 2 and tier 3 headings.	respect to the suggested amendments.
Paragraph 1.18, previous version	Deleted.	No longer needed due to restructuring.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.17	Wording amended slightly replacing “their charity’s stakeholders” to “users of their accounts”	Generally agreed by members of the Charities’ SORP Committee at the meeting on 5 October that this paragraph be retained as it acted as a prompt to trustees to consider including additional information. The secretariat member explained that the word ‘encourage’ was an accepted term in these circumstances so this was retained. The change of wording was to reflect an opinion that more disclosure was helpful to all users of accounts not just stakeholders.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.21	Paragraph inserted “Where grant-making forms a material part of its charitable activities, the report must explain the charity’s grant-making policy for the selection of individuals or institutions who are to receive grants.”	This amendment has been made in response to feedback from the FRC Observer and the Charities’ SORP Committee that the SORP would generally be expected to include the requirements of Regulations. This was under tier 2 requirements (paragraph 1.41) in the previous draft and has been moved to tier 1 so that it applies to all charities.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.22	Paragraph amended from “Numerical information provided in the report about the resources spent on particular activities should be consistent with the analysis provided in the accounts, see Tables 2a and 2b and section B, Expenditure, Module 4.” to “Numerical information provided in the report about the resources spent on particular activities should be consistent with the analysis provided in the statement of financial activities and in the notes to the accounts, see	For clarification.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
	Tables 2a and 2b and section B, Expenditure, Module 4.”		
Paragraph 1.26	First bullet point amended from “Social investment, when this forms a material part of its charitable and investment activities. In particular, the report must provide an explanation of its social investment policies and explain how any programme related investments contributed to the achievement of its aims and objectives.” to “Social investment: when this forms a material part of its charitable and investment activities, the report must provide an explanation of its social investment policies and explain how any programme related investments contributed to the achievement of its aims and objectives.”	To improve the way the SORP is written.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.26	Second bullet point amended from “Volunteers, when their contribution is significant to a charity’s ability to undertake a particular activity. The explanation should help the user to understand the scale and nature of the activities undertaken.” to “Volunteers: when their contribution is significant to a charity’s ability to undertake a particular activity, an explanation to help the user to understand the scale and nature of the activities undertaken.”	To improve the way the SORP is written.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Heading, “TIER 2 – in addition to TIER 1 requirements”, paragraphs 1.23 to 1.27	New heading inserted ‘TIER 2 – in addition to TIER 1 requirements’ and paragraphs 1.38 to 1.42 moved from ‘The additional content required of tier 2 charities’ under the heading ‘Objectives and activities’		There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Under paragraph 1.27	New heading inserted ‘TIER 3 – in addition to TIER 1 and TIER 3 requirements’	To clarify what needs to be included for tier 3 charities	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
Paragraph 1.28	Second sentence amended from "To assist with this, trustees must consider the following questions" to "To assist with this, trustees must provide answers to the following questions"	For consistency with paragraph 1.25.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Under 'Achievements and performance'	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and tier 3 were listed under the tier 2 and tier 3 headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
New headings, TIER 1, above paragraph 1.28; 'TIER 2 – in addition to TIER 1 requirements' above paragraph 1.30; TIER 3 – in addition to TIER 1 and TIER 2 requirements' above paragraph 1.35		New structure of module which collates the requirements for each tier under the suggested SORP headings	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.29	Paragraph inserted "The report must review investment performance against the investment objectives set where material financial investments are held."	This amendment has been made in response to feedback from the FRC Observer and the Charities' SORP Committee that the SORP would generally be expected to include the requirements of Regulations. This was under tier 2 requirements (paragraph 1.44) in the previous draft and has been moved to tier 1 so that it applies to all charities.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.32	Brackets removed from second sentence	Considered unnecessary	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraphs 1.30 to 1.34	These paragraphs were 1.43, 1.45 to 1.48 in the previous version. Text unchanged.	New structure of module which collates the requirements for each tier under the suggested SORP headings	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
Paragraph 1.35	Paragraph 1.56 in previous version. Opening sentence amended from “The report must review” to “Tier 3 charities must report on their review of:”	New structure of module which collates the requirements for each tier under the suggested SORP headings. Wording changed to clarify what was required to be disclosed.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Under ‘Financial review’	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and tier 3 were listed under the tier 2 and tier 3 headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
New headings, TIER 1, above paragraph 1.36; ‘TIER 2 – in addition to TIER 1 requirements’ above paragraph 1.43; ‘TIER 3 – in addition to TIER 1 and TIER 2 requirements’ above paragraph 1.45		New structure of module which collates the requirements for each tier under the suggested SORP headings	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.36	Second sentence changed from “Numerical detail should be consistent with the figures in the charity’s financial statements where appropriate” to “Financial details must be consistent with the figures in the charity’s financial statements as appropriate.”	Following advice from members of the Charities’ SORP Committee that this sentence be rephrased.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.37	Bullet point 4, paragraph 1.50 in previous version moved to paragraph 1.37.	This was included in paragraph 1.50 in previous version in ‘The additional content required of tier 2 charities’ section. However, as this is an England and Wales regulation applying to all charities it has been moved up to tier 1 disclosures. This follows advice from the FRC Observer and the Charities’ SORP Committee that the SORP would generally be expected to include the requirements of Regulations.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.38	Paragraph amended to include the definition of reserves and third sentences amended from “The reserves calculation should reconcile to figures in the	Following advice from the CIPFA secretariat that the proposed definition of reserves in the Glossary was too long, the SORP Making Body has	Question 2, in Paper 1.

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
	financial statements and this should be shown in a note to the financial statements, either in the funds note or as a separate note.” to “The reserves calculation must reconcile to figures in the financial statements and should be included in a note to the financial statements, either in the funds note or as a separate note.”	included the definition in the SORP guidance. This also addresses the concern of members of the Charities’ SORP Committee, that it was not obvious that the SORP required a figure for ‘free reserves’ rather than reserves generally.	
Paragraph 1.39	Paragraph inserted. This was paragraph 1.51 in the previous version, excluding the final bullet point . Final bullet point has been deleted.	<p>This amendment has been made in response to feedback from the FRC Observer and the Charities’ SORP Committee that the SORP would generally be expected to include the requirements of Regulations This was under tier 2 requirements in the previous draft and so has been moved to tier 1 so that it applies to all charities.</p> <p>The deleted bullet point ”state the amount of reserves (refer to glossary) the charity holds at the end of the reporting period and present in the notes how the reserves figure reconciles with the financial statements” is covered by paragraph 1.37 in the revised version.</p>	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments
Paragraph 1.41	New sentence added at the start of this paragraph “Going concern means the ability of an organisation to operate for the foreseeable future”	This was added by the SORP Making Body to clarify what is meant by going concern.	<p>5. It was agreed at the meeting of the Charities’ SORP Committee on 5 October that this requirement be retained in a revised SORP and although no changes to wording were suggested, the SORP Making Body felt that it would be helpful for users of the SORP to have a definition of ‘going concern’. Does the Charities</p>

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
			SORP Committee this change?
Paragraph 1.43	Bullet point added “the principal sources of income of the charity in the reporting period and how these resources have been spent to support the key objectives of the charity”	This was included in the paragraph below (1.43) but as it is a requirement in the England and Wales regulations, it has been included here as a must.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.44	First bullet point moved up to previous paragraph (see 1.43 above); fourth bullet point moved to 1.37 (see 1.37 above)		There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Under ‘Plans for future period’	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and tier 3 were listed under the tier 2 and tier 3 headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
New headings, TIER 1, above paragraph 1.47; ‘TIER 2 – in addition to TIER 1 requirements’ above paragraph 1.48; Under paragraph 1.48 ‘TIER 3 – TIER 1 and TIER 2 requirements’		New structure of module which collates the requirements for each tier under the suggested SORP headings	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.47	Paragraph moved from ‘The additional content required of tier 2 charities’ to Tier 1 requirements, paragraph 1.47	This amendment has been made in response to feedback from the FRC Observer and the Charities’ SORP Committee that the SORP would generally be expected to include the requirements of Regulations. This was under tier 2 requirements (paragraph 1.52) in the previous draft and has been moved to tier 1 so that it applies to all charities.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Under ‘Structure, governance and management’	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and tier 3 were listed under the tier 2 and tier 3 headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
New headings, TIER 1, above paragraph 1.49; 'TIER 2 – all requirements in TIER 1' and 'TIER 3 – in addition to TIER 1 requirements' above paragraph 1.51		New structure of module which collates the requirements for each tier under the suggested SORP headings	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
1.49	Third bullet point per paragraph 1.29 previous version deleted "the name of any person or body of persons entitled by the trusts of the charity to appoint one or more new charity trustees and a description of the method provided by those trustees for such an appointment"	Covered by third bullet point in paragraph 1.48 "the methods used to recruit and appoint new charity trustees, including details of any constitutional provisions for appointment, for example election to post. Where any other person or external body is entitled to appoint one or more of the charity trustees, the report should explain this and give the name of that person or body"	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Paragraph 1.49	Paragraph inserted "The report must explain the policies and procedures for the induction and training of trustees."	This amendment has been made in response to feedback from the FRC Observer and the Charities' SORP Committee that the SORP would generally be expected to include the requirements of Regulations This was under tier 2 requirements in the previous draft and so has been moved to tier 1 so that it applies to all charities	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
Under 'Reference and administrative details'	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and tier 3 were listed under the tier 2 and tier 3 headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.
New headings, TIER 1, above paragraph 1.52; 'TIER 2 – all requirements in TIER 1'; and 'TIER 3 – in addition to TIER 1 requirements' above paragraph 1.54		New structure of module which collates the requirements for each tier under the suggested SORP headings	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments

Paragraph reference(s)	Amendment made	Reason for Proposed Amendment	Question for consideration
Under 'Sustainability'	Text box inserted with reporting requirements for each tier	To clarify the reporting requirements for each tier and reduce the chance that a user of the SORP might think that all the requirements for tier 2 and tier 3 were listed under the tier 2 and tier 3 headings.	There is no specific question on this paragraph. Committee Members are invited to make comments or recommendations with respect to the suggested amendments.