

Early Education
136 Cavell Street
London E1 2JA
9th December 2016

To whom it may concern,

I am writing to respond to the research exercise on charities SORP (FRS 102). I believe that it is important for the charities SORP making-bodies to take into account the views of charity sector preparers. I know that having an effective reporting framework is in the interests of not only the public, but the charity sector itself.

So I would urge the charities SORP making-bodies to listen to organisations such as the Charity Finance Group, which have undertaken an extensive consultation with finance professionals via roundtables and an online survey.

In particular, I would urge the SORP making-bodies to:

1. Reject the proposal for a Key Facts Summary

There is no rationale for why this summary would improve understanding of charities, and I do not believe that there is financial information which would universally demonstrate the effectiveness of a charity. It is only likely to encourage readers not to engage with the full annual report and accounts.

2. Reject the proposal for material donors and funders to be declared

I am concerned that this will impact of the donor's right to privacy and could lead to fewer charities receiving charitable donations. I also do not believe that declaring funders, such as local councils, would improve the public's understanding of the effectiveness of a charity.

3. Abolish the separate accounting of support costs

These add a burden on charities and do not add any value for the reader of the accounts. Support costs are necessary for all operations and separating out support costs feeds an incorrect impression that support costs are a 'bad' piece of expenditure. The SORP making-bodies need to take action.

4. Reject calls further details on administration and fundraising costs

Financial disclosures are not the way to improve understanding of charities operations, encouraging and supporting charities to talk about their operations and approach to fundraising through narrative reporting would be better.

5. Reject calls for charities to break down their spending by jurisdictions

This will not add value as most charities that work overseas will already be explaining their operations through the narrative reporting. This will add significant bureaucracy, however, and further lengthen the SORP.

Thank you for considering my response to the research exercise.

Kind regards,

Mrs Noreen Dawes, Honorary Treasurer, Early Education (British Association for Early Childhood Education)