

To whom it may concern,

I am writing on behalf of Sightsavers to respond to the research exercise on charities SORP (FRS 102).

We believe that it is important for the charities SORP making-bodies to take into account the views of charity sector preparers. We know that having an effective reporting framework is in the interests of not only the public, but the charity sector itself.

So we would urge the charities SORP making-bodies to listen to organisations such as the Charity Finance Group, which has undertaken an extensive consultation with finance professionals in the sector.

In particular, we 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 we do not believe that there is financial information which would universally demonstrate the effectiveness of a charity, and definitely not something which is "one size that fits all". 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

We are concerned that this will impact of the donor's right to privacy and could lead to fewer charities receiving fewer charitable donations. We also do not believe that declaring funders would improve the public's understanding of the effectiveness of a charity.

3. Abolish the separate accounting of support costs

Support costs are costs incurred on very important activities. It is important for charities to understand their support costs, but we are wary of the burden and costs of providing such information in the financial reporting process. Our particular concern is also that an ill- thought through reporting requirement on these type of costs can feed an incorrect impression that support costs are 'bad' expenditures. The SORP making-bodies should 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, like Sightsavers, will already be explaining their operations through the narrative reporting. This will add significant bureaucracy, however, and further lengthen the SORP and financial statements produced under it.

Thank you for considering our response to the research exercise.

Kind regards,

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